

Housing, Communities and Local Government Committee

Oral evidence: Homelessness Reduction Act—One Year On, HC 2089

Tuesday 23 April 2019

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Members present: Mr Clive Betts (Chair); Bob Blackman; Mr Tanmanjeet Singh Dhesi; Helen Hayes; Kevin Hollinrake; Andrew Lewer; Mr Mark Prisk; Mary Robinson; Liz Twist; Matt Western.

Questions 1 - 134

Witnesses

I: Jon Sparkes, Chief Executive, Crisis; Deborah Garvie, Policy Manager, Shelter.

II: Councillor Adele Morris, Deputy Chair of the Environment, Economy, Housing and Transport Board, Local Government Association; Councillor Farah Khanum Hussain, London Councils.

III: Heather Wheeler MP, Minister for Housing and Homelessness, Ministry of Housing, Communities and Local Government; Jeremy Swain, Deputy Director, Homelessness and Rough Sleeping Division, Ministry of Housing, Communities and Local Government.

Examination of Witnesses

Witnesses: Jon Sparkes and Deborah Garvie.

Chair: Welcome to this one-off session the Committee is holding into the implementation of the Homelessness Reduction Act. Thank you very much for coming. To begin with, could I ask members of the Committee to put on record any particular interests they have that may be relevant to the inquiry? I am a vice-president of the Local Government Association.

Liz Twist: I employ a councillor in my office.

Helen Hayes: I am a vice-president of the Local Government Association and I also employ a councillor in my team.



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Mary Robinson: I employ a councillor.

Andrew Lewer: I am a vice-president of the LGA.

Mr Prisk: About a year ago, I served on a panel for Crisis looking at homelessness in an honorary capacity.

Q1 **Chair:** Thank you for coming. I will pass over to you to say your name and the name of the organisation you represent.

Jon Sparkes: I am Jon Sparkes, chief executive of Crisis.

Deborah Garvie: I am Deborah Garvie. I am policy manager at Shelter.

Q2 **Chair:** Again, thank you for coming. We thought it was a good opportunity, one year on, to look at the Act, its implementation and whether it is making a difference in the prevention and relief of homelessness. I am interested in your initial thoughts on that to begin with.

Jon Sparkes: The comments I will make are based on research we have ongoing. We are working very closely with six local authorities—anonously, I should say. So far that work has involved a survey of 545 people who are using housing offices since the Act and 51 in-depth interviews. As part of the publication of this year's Homelessness Monitor, academics will have interviewed representatives of local authorities about how they are experiencing it. The views I will try to put across are from that research rather than being my opinion particularly.

In summary, there are some things the Act was designed to do that it is doing. It is not perfect, necessarily, but there is a consensus among a majority of local authorities as to the purpose and benefit of the new legislation, in enabling them to deliver more person-centred services to people who come in. There is a significant reduction in the number of people who are being turned away with no support or no advice at all. If we think back to the Bill, one of the particular things that concerned us was the number of people who were being turned away. This is not a comment on impact necessarily, but the perception of people using the services is largely that they feel listened to, they feel respected and they feel like they can make themselves understood. All of that is good.

Of course, there is a "but" to come. We still think that overall awareness of the Act is low. Awareness of the Act is not encouraging more people to come forward, in and of itself. There is a variety of practice across local authorities from those who are implementing a full culture change, redesigning their services, developing new services and those who are simply layering the Act on top of existing services. So there are some areas where the implementation of the Act can improve. When we come to impact, we are in a position where 51% of the people we surveyed are left feeling positive about the options they now have, so 49% are not. That is about solutions, rather than the treatment. It talks to the wider structural issues causing homelessness in the first place and therefore



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reducing the number of options people have when they leave, albeit a better experience.

That is just an overview of what that research is telling us at the moment. There is more detail sitting underneath that, which we can go through.

Deborah Garvie: Our evidence is based on a survey of all our advisers all over the country, including our free helpline based in Sheffield, where people can call from any local authority area. It is also based on an analysis of a number of client journeys to follow through to see what the outcomes were, and an assessment of the standard of personal housing plans. We are collating redacted copies of personalised housing plans and continuing to analyse them.

We generally find that there have been huge efforts by local authorities to implement the Act by recruiting staff, changing their systems and making sure people are trained. To answer the question of whether it is beginning to make a difference, overall, particularly in terms of relieving homelessness, the answer is no. Local authorities are very much dealing with the process that is required of them in the Act. If that is the question you are asking and the measure of success—are they implementing the process?—we would say that, overall, they are doing that. People are being seen who previously were not seen, as Crisis also found, and people are being assessed and given a plan.

In terms of outcomes, you cannot relieve homelessness unless you have a home to offer somebody or to help them into. In the areas where homelessness is most prevalent, there are no suitable, affordable homes for people to go into, as a result of a chronic shortage of social rented housing, which is really the only suitable, affordable option for a lot of families, and as a result of the freeze in local housing allowance, which means that the vast majority of areas in England are not affordable to people who have to claim local housing allowance, a third of whom do not work.

Chair: We will come back to those issues in due course.

Deborah Garvie: There has been a focus on dealing with street homelessness. People who are street homeless are receiving help. Access is improving. People feel listened to and things are being explained to them. Overall, the way people are treated has improved. Again, as Crisis has reported, we have no evidence that there is any increased awareness of people's changes in rights, because there was no effort from Government put into making sure that people were aware of their additional rights. There is also a big variation in the way other public authorities are making referrals and honouring the duty to refer.

Q3 **Chair:** You were saying that more people are coming forward, yet you were also saying that people are not really any more aware. Surely they must be aware; otherwise they would not be coming forward.



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Deborah Garvie: I would not say it is because they are aware; it is because they are in desperate need. They find out, or they already know. They go to the council, but they would have gone to the council previously. If the council felt they did not meet the rehousing duty, it would have turned them away. It is not because there is an awareness that rights have changed; it is because there is a general awareness that, if you are in desperate need, you go to your council.

Jon Sparkes: If we wanted to put a number on that, 14% of our respondents said they were aware of the introduction of the Act. That is 14% of the people who were using housing services. Of those 14%, 46% said that the existence of the Act had encouraged them to come forward, and 46% of 14% is about 6%. That is the additional impact: 6% said they came forward because of the Act.

Q4 **Chair:** Can any more be done to raise awareness?

Jon Sparkes: Yes, partly nationally and partly in other agencies. The point that Debs made about referrals across agencies is a really important one. We may come to this later, but the people we surveyed were using 11 different other sorts of agencies: Jobcentre Plus, Citizens Advice bureaux, their GP, the hospital and so on. Of all those, the most common other service they were using was their GP. A GP has no duty to refer under the Act and, therefore, the proportion being referred from GPs ranked about second lowest. A very simple and straight-line answer to the question would be to apply the duty to refer to GPs. That would instantly increase awareness of people who had that need, right there and then.

Q5 **Mary Robinson:** You have touched on this already. Crisis has noticed that the interpretation of the Act by some councils has been very literal. Indeed, prior to this session, housing lawyers also highlighted concerns to us that some local authorities were failing to engage with their new prevention duty in the spirit as well as the letter of the law. Is this a characterisation that you both recognise? I know you did touch on this.

Jon Sparkes: We are seeing both. We are seeing a variation. There are local authorities that have clearly entered into the spirit of it. We have 58% of local authorities introducing new prevention and relief services as a direct result of the HRA. We have local authorities saying that the HRA has prompted more effective homelessness prevention work to be done. We certainly have examples where we have literally seen the creation of new job roles, a different approach, more of a coaching methodology to providing service, reflective practice, and the use of a strengths-based approach. There is a real culture shift in some cases.

We then have other examples. We have certainly seen that characterisation of people taking it literally and, for example, not providing the support that is really needed where there is not absolutely robust proof that the person is going to be homeless in 56 days. The reason there is no proof is because the landlord who is threatening to



kick them out is not going to give them written evidence that they are going to kick them out in 56 days. If you take it literally, you do not prevent or relieve unless you know absolutely that they are going to be homeless in 56 days, even though anybody can see that this person is at risk of homelessness. That is an example, and it is not the only example. There is some evidence of gatekeeping still in place, that sense of running down the days because they know someone is not owed the full duty. That is really not entering into the spirit of it.

Everybody said, right from the beginning, that the success or otherwise of this would be around culture change. There are two ways to point. It is very easy to point at a local authority and say, "You have staff who are gatekeeping". On the other hand, if that member of staff is faced with an endless stream of people at risk of homelessness and an absolute shortage of truly affordable places for them to go, you can see why that encourages a culture of gatekeeping. The HRA is pushing in one direction, but the reality of the world outside is pushing in the other direction. You are getting a mixed outcome as a result of that.

Q6 Mary Robinson: Given that you have identified the different approaches and the ways that different local authorities have taken this on, have you been able to correlate in any way those approaches to outcomes?

Jon Sparkes: I am not sure we have outcomes correlated in that way. Of the people we worked with, only 17% have reached the point of an outcome yet. Another half are going through the process. I do not think I can honestly answer that. I do not know whether you have that.

Deborah Garvie: No, we have not correlated it directly, but we have to be very mindful of what we classify as an outcome. The prevention and relief duty is that suitable accommodation should be available. Sometimes it will be: "Could you go and stay with a relative? Could you stay with your sister and her family?" Nobody can move in with their in-laws with kids in tow for ever more, even if there might be a spare bedroom there. That is an unsustainable position. At some point, you are going to have overstayed your welcome. That might classify as an outcome because it is available for the next six months, and it might be the best thing to do to keep the children at that local school, but it is not a sustainable outcome. Any family with children needs their own home, not to be living in a relative's home.

There are examples like that. To add to what Crisis has already said, there is still a notion—we see this when we are at events with local authority staff and in various strategy documents that are produced—that the point of homelessness assistance is to steer you away from social housing. "Do not think that by coming and applying as homeless you are going to get a social home. You need to go back into the private rented sector. If you cannot afford your local private rented sector, you need to move elsewhere in the country". Actually, they should be assessing what the best housing option is for you in the long term, to avoid you becoming homeless again. In many cases, that will be social housing, and



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it is potentially available, although homeless people do not always feature at the top of the waiting list any more. In other cases, private rental will be suitable, but the automatic response should not be: "How can we quickly get you back into the private rented sector from whence you came?"

We are seeing a lot of, if I am being generous, demand management and, if I am being critical, gatekeeping. It is purely to deal with the numbers. By its very nature, the assessment needs to be done thoroughly. They should be assessing every member of the household. They are taking one to two hours. As an officer, you might do four or four assessments in a day; then you have four or five the next day and the next day. When are you going to go back to each of those and start to take steps to assist that household? We are seeing cases where things that could be done immediately are not being done immediately and are then being put in the plan. For example, an action for the council in the plan might be to assess whether the landlord's notice is valid. If the person comes in with a notice, you can do that immediately. That is what we would do. We would not do that at a later date.

Again, it is a very mixed picture. There is a high turnover of staff in some areas. As fast as staff are being trained in the new duties, they are leaving and new staff are not getting training immediately. It is very varied. Something we were particularly concerned about, which Government assured us would be addressed, was families who have been served with notice having to wait before they got a possession order against them, at which point the landlord will withhold their deposit. Therefore, you have no deposit money to access another private rental. That still is not really being dealt with at all. One of the biggest problems we are seeing is with families who are already homeless because they have been served notice, it has expired and the landlord is planning to apply to court. They are being told to stay where they are; they are not being offered interim accommodation.

Q7 Mary Robinson: The Government have said that they will be undertaking a review of the Homelessness Reduction Act, including elements that relate to processes, which may need to be addressed. Are there any processes that require further adjustment?

Jon Sparkes: I will run through quite a summary. Some of these are about practice, not necessarily changing the legislation but changing the implementation of it; some are about legislation.

There are tried and tested approaches to managing the caseload of people coming in. We see some approaches that use the lessons that are used in case management elsewhere: not a "computer says no" situation, but good, professional, personal, face-to-face triage at the front door, backed up by specialist workers with cases that are broadly in their specialism, whether that is rough sleepers, families or whatever their specialism is. So there are some lessons to be learned in terms of practice.



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Certainly, there is a very mixed bag when it comes to personalised housing plans, from those where the housing plan could be, "Go and have a look on Zoopla, and find yourself a private rental" through to personalised housing plans that do what it says on the tin, which enable someone not only to get out of their current situation but to move out of the risk of homelessness. We need to make sure we have the very best practice of plans including both housing and support, and not just the very short-term housing question. That is the second point I would make.

The third point is this. It is all very well expecting the local authority to manage that demand, but we manage demand best where we invest in preventing homelessness and in prevention services, things like pathway teams in hospitals, the use of critical time interventions for people coming out of prison or people who have experienced domestic abuse, and having homelessness experts in Jobcentre Pluses. Those investments are about reducing and preventing homelessness in the first place. The third point I would make is about investment in prevention.

I would reiterate the point I made previously about extending the duty to refer to GPs. They are seeing more people who are at risk of homelessness than any other agency, yet they do not have a duty to refer. If we go right back to the foundations of this Act when the Bill was being developed, we talked about a duty to prevent homelessness being placed on public bodies. Until we have a duty to prevent homelessness on the widest range of public bodies, people will either not have a duty to refer and therefore do nothing, or have the narrowest referral route possible that they can get away with, if you will pardon the expression. There are improvements to be made, and we welcome and look forward to the Government's review of this.

Deborah Garvie: I would echo that the emphasis needs to be on upstream prevention. We will come to that later in the final question on the structural issues, which I have already touched on. At the point that somebody is presenting to their local authority, the system has already failed them. Nobody wants to have to go to their local council and say that they cannot accommodate their own children. Nobody wants to be in that position, and that should not be happening. As a result of that, you get the need to manage demand. That demand needs to be kept away from the local authority housing options desk in the first place by much, much earlier access to advice and assistance, whether it is with debt, escaping domestic violence or whatever that might be.

In terms of the systems that need to change, again, we are seeing personalised housing plans that are anything but personalised. They are using standard templates and then just filling them in. Most of the ones we have seen are really impenetrable, even to us as specialist housing lawyers and policy staff. For the average person, they will be pretty difficult to understand. Some are slightly better than others in that respect, but none are user-friendly, to the point that we have heard reports of people saying, "What is this? It is another bit of paper. What is



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this meant to do? I just need to get somewhere to live. I have nowhere to stay tonight. Why are you giving me bits of paper?"

They will often end up concluding, "Although the law says that if you are homeless you should be accommodated by your local authority in this district, I am afraid you cannot be, because you cannot afford to live in this district". It rather leaves the applicant thinking, "What is supposed to happen, then?" Personalised plans definitely need to be more personalised, but that takes additional resource. We are talking about very detailed casework based on the individual circumstances and needs of that household. That takes time and specialist training, and so on and so forth.

We said that we would wait until the Act had had time to bed down, but if it was not addressing the issue of families being left to wait for bailiffs, being left to wait for a possession order, at which point all their deposit money is gone and they have had the fear of court papers coming through the door, we would be pushing for changes to regulation. Government assured us that the Act would change this, and it is not happening. People are being told to wait until they have a court order against them, when it is clear that the landlord cannot be persuaded to let them stay.

Q8 Mr Prisk: We have touched on this already, but can I look further at the quality of the advice that is given, particularly the variance that you have both described, very often between neighbouring authorities with similar demographics? Has the quality overall improved? We heard one phrase and several bits of evidence from the 2016 report. While, clearly, the vast majority of housing officers are doing a fantastic job in very difficult circumstances, it talked about people being dismissive or at times discriminatory. Has there been a change in attitudes and has the quality of advice improved?

Jon Sparkes: Yes. If it is possible to separate the outcome from the quality of the experience, from the survey we have done, we see that there is a positive perception of the face-to-face interactions that people have with housing options staff. They use phrases like, "We felt listened to"; "We felt respected"; "We felt able to make ourselves understood". That has come from that survey loud and clear, but then you balance that with only 51% of them saying that they were left feeling positive about their assessment and their options. When it comes to impact, we are not seeing the sort of change we would need to see.

There is one other point in terms of quality. While everything I have said that has come out of that survey is correct, there is then a residual issue of long periods between that initial experience, which was seen as positive, and then receiving ongoing communication or ongoing feedback. Of course, given what those people or that family are going through at the time, any time delay in communication is going to make them feel more anxious, more isolated and put them into a more difficult situation.



So there are absolutely some positives, but it feels like a case of, "Here is the entirety of the system. We have made this bit better and we might have made this bit better". Until we link it together, we will not see the improvements we would all like to see.

Deborah Garvie: Yes, I would echo that. It is positive in the sense that people are being seen earlier, as the legislation requires: it is 56 days before being threatened with homelessness rather than 28, which means pretty soon after a landlord notice has been received people are entitled to assistance. That is very good, because it allows more time. Before this, we were seeing people going along with the notice and being told to come back at 28 days, whereas the advice could have been given there and then. That is positive.

Of those who are eligible for assistance, not everybody is being seen. Often there is confusion as to which stage they are at. We have come across street homeless people being told that they can still have their homelessness prevented, for example. But people are generally being seen. I conducted research with an expert panel a couple of years ago on what they would like to see. People said there that being treated with dignity and respect, even if the outcome was the same, was very important to them. People already feel a huge sense of shame going to the local authority. That sense of shame was compounded by the way they were being spoken to and treated, as if they had brought their homelessness upon themselves.

That definitely has improved, but it is akin to going to a health service and being treated very nicely by the person on the desk, but then being told you cannot have the operation you need because there are no operating theatres. It is a similar situation to that. You are being treated well, or much better than you were before, in many cases, but there is no affordable housing available to you. You are being very nicely told that or, indeed, nobody is really getting back to you at all. That is the big sticking point.

On the prevention side and how we prevent homelessness, a lot of it is linked to debt. It is about getting people specialist debt advice, sifting priority debts, working out how you can make a repayment plan. That level of detail is not being gone into. The main reason people are being threatened with homelessness is rent arrears. In some cases, people are not always having their notice checked when the notice may not be correct and so on. We could see more emphasis on keeping people in their current home, as opposed to helping them find an alternative that does not exist.

Q9 **Mr Prisk:** From what you have said to us and from the written evidence we have had, central to this seems to be a local recognition that this is not just about doing something slightly differently; it requires, as it has been put by Crisis, a requisite cultural change. The authorities that have not bolted something on and tried to do the things they did in the past,



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but have recognised the cultural change needed both within the housing department and more broadly, seem to be the ones that have advanced. Where are the good examples that we should focus on, and indeed applaud, so that this practice can spread further?

Jon Sparkes: In terms of actual authorities?

Mr Prisk: Yes.

Jon Sparkes: I do not have names. The six we are working closely with we are working with anonymously, for obvious reasons. We can look to identify areas of good practice, but I do not have that evidence.

Q10 **Mr Prisk:** Would it help if the Government were aware of where the good practice was? They could then be there to help support and spread that good practice.

Jon Sparkes: It certainly would. Part of the role of MHCLG's advisers under the rough sleeping strategy is to do precisely that. There is some good evidence of them doing that.

There was one further point that I did not make in response to your question. I talked about the perceptions of people using the services. As for the perceptions of the local authorities, 62% of local authorities say that the Act had enabled a more person-centred approach. In London, it is 79%. That does not filter through into impact and outcomes, but it demonstrates the extent to which local authorities are trying to embrace this.

Deborah Garvie: Through the National Homelessness Advice Service, we train people in local authorities, and we have symposiums where people come to share good practice and speak to each other. It is a Government-funded service, but this is going on outside of direct Government teams. What is lacking—we mentioned this when we had the Select Committee's inquiry into the homelessness code of guidance—is that there is no good practice guide from Government. The new duties are very woolly: "The local authority must take reasonable steps to ensure that accommodation is available" and so on and so forth. The code of guidance does not flesh that out too much. What is really needed is national good practice guidance. It should be part of the role of Government to make sure the best examples are being shared in a formal way.

Q11 **Mr Prisk:** This is presumably bottom up, looking at who is getting it right on the ground and then spreading that further.

Deborah Garvie: Yes, absolutely. It is both, I would say. There have been letters from Ministers in the past to make it clear that you should not be telling families to hang on until the date that the bailiffs come, for example. There are some things that Government should absolutely be giving a clear steer on. Equally, where a local authority has come up with



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something innovative, that should definitely be shared with other authorities.

Q12 Mr Dhesi: Ms Garvie, first of all, very well done to Shelter for the work you are doing. In fact, I hold one of my advice surgeries in Slough in the Shelter building.

Coming to today's agenda, it is noted that there are structural barriers to supporting people into sustainable housing. In particular, there is a lack of affordable housing, which is a problem that you yourselves have highlighted is exacerbated by the local housing allowance. Are the Government ever likely to have a significant effect on the levels of homelessness without changing their welfare policies?

Deborah Garvie: No. That is the short answer to that. Housing benefit is the main way to prevent homelessness. Homelessness usually occurs because people cannot afford their current home and they cannot find a suitable alternative that is affordable for them. Our own analysis shows that nine out of 10 areas in England are unaffordable. If you are in need of a two-bedroom home—if you have two young children and you need a very modest family home, a two-bedroom flat or small house—you will not be able to find that in nine out of 10 areas in England if you are claiming local housing allowance. You are going to have a shortfall between the local housing allowance and the rent level.

In around a quarter of areas, that shortfall is over £100 a month. It is not £5 or £10 a week, for which you might be able to cut back on other things. For people claiming local housing allowance, there is not much left to cut back on. It is not a matter of that; it is over £100 month after month after month. In the areas with the highest levels of homelessness, those shortfalls are the largest.

We are working very closely with colleagues in local government and landlords. We have consistently said that, if the Government are serious about reducing homelessness, they have to look at the levels of local housing allowance. People have to be able to afford the bottom third of the private rental market, which is Government policy. If Government policy is now that claimants should only be able to afford the bottom 5% or 4%, as it is in Hackney, where we have a service, they need to state that. Government policy was that the local housing allowance should allow you to afford the bottom third of private rentals. That is not the case now in the vast majority of the country.

Q13 Mr Dhesi: That is good. I was pretty sure of the answer, given my own experiences within the advice surgeries, but I wanted to hear it directly from you.

Mr Sparkes, it is also said that a major cause of homelessness in England is the ending of a tenancy in the private rented sector. As you will be aware, the Government have launched a consultation on proposals to remove the ability of landlords to use no-fault evictions under section 21 of the Housing Act 1988. Do you think this is going to lead to a reduction



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in homelessness?

Jon Sparkes: I am going to give you almost the exact mirror image of the answer you just heard. First, it is a good thing. It is absolutely a good thing to consult on scrapping no-fault evictions. They have done it in Scotland. They have announced they are going to consult on it in Wales as well. It is a good thing, because it starts to deal with the symptom or the trigger. I always talk about the biggest trigger for homelessness being the ending of a private rented sector tenancy rather than the biggest cause. It is the thing that triggers it.

Of course, while it is very welcome, you will have the same effect. If you do not have sufficient social housing being built, you rely on the market to take the strain of tackling homelessness, and you detach the amount of money you are spending from that market, there is a clear problem there. Since 2011, that break has been made between local housing allowances and the market. Whether it is the Shelter analysis or the Crisis and CIH analysis, it leads to the same conclusions as to what is affordable and what is not, and to the answer being at about the 30th percentile of the market.

Q14 Mr Dhesi: Let us explore that a little. Is there a risk that these changes could lead to landlords becoming more selective regarding prospective tenants, making it even more difficult for people who are vulnerable to homelessness to find accommodation? Do the benefits outweigh the risks? Where would you fall on that?

Jon Sparkes: It works if we do both/and rather than either/or. If we both scrap no-fault evictions and have reliable funding for the rent, I do not think it will have the effect you are describing.

Q15 Mr Dhesi: Ms Garvie, would you agree with that?

Deborah Garvie: Absolutely. Homelessness is not about losing your home. Many people lose their homes; some of us may have lost our home at some point. Homelessness is losing your home, not being able to find a suitable alternative and having to go to the state because you cannot find a suitable alternative.

As Jon says, the ending of a short-hold tenancy is a trigger. We have been assured that the Government are looking into why that happens and how much of it is to do with shortfalls in local housing allowance. Landlords themselves have conducted independent research that shows it is having a big impact on homelessness, as you quite rightly say, partly because people have shortfalls so they would not want to take on a tenancy where they are not sure how they are going to make up the shortfall every month. The council is not going to want to offer that to them, because it would be challenged by the likes of us on the basis that it is not suitable accommodation.

The landlord is also going to be very averse to taking anyone on local housing allowance, because even if they do not have a shortfall right now



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there is another year of the freeze to go. They might want to put the rent up and the person will not be able to sustain the rent increase. That is independent research that has been conducted for a landlord association, which shows that is very much the case. Landlords are very reluctant to let to claimants. When it comes to universal credit, the main problem is still the rate of local housing allowance within it. The additional problem of the five-week wait then makes it even less likely that a landlord will take you.

- Q16 **Kevin Hollinrake:** You made a connection between local housing allowance and the banning of section 21 provisions, but those two things are not always connected. Clearly, most people in the private rented sector are not on welfare. In my formative years as an estate agent in York back in the mid-1980s, before assured shorthold tenancies came into play in 1988, if you wanted to rent something in York you probably got a dark, dingy and damp terraced house, because of the lack of investment in the sector. If you bring in a complete abolition of section 21, are you not concerned that you are going to deter lots of landlords, who in the vast majority of cases do a fantastic job of providing decent-quality accommodation in an extremely competitive market, and suddenly make things worse for lots of people?

Jon Sparkes: The expertise of my organisation is in the end of the market that causes or solves homelessness, not necessarily in the full breadth of the market. The evidence in that part of the market is clear that the private rented sector becomes an effective means for preventing homelessness, provided it is backed by LHA at or about the 30th percentile of the local market. That is not answering the full question, but my expertise is in what causes or sustains homelessness.

- Q17 **Kevin Hollinrake:** The lack of housing generally is a cause of homelessness. You both accept that in your evidence.

Deborah Garvie: It is the lack of affordable and suitable housing. If you are a family with three children, a one-bedroom flat is not going to be suitable for you, for example. You also have to be able to afford the two to three-bedroom family home.

- Q18 **Kevin Hollinrake:** Yes, the lack of housing generally makes houses less affordable. That is a supply and demand issue.

Deborah Garvie: It is access rather than supply. The supply of social rented accommodation is fundamental, as Jon said, but it is about access to that accommodation as well. It may well be that in certain areas you have affordable access, in theory, to 10% of the private rented market, but is it available for letting? It is a matter of access as well as homes existing there. It is about whether you can get into them. We are looking at evidence at the moment that shows, even with social rented housing, that homeless households, which are meant to legally have reasonable preference in the allocation of social housing, are usually a very long way down the list.



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Q19 **Kevin Hollinrake:** I suppose the concern is the unintended consequences. That is what we are concerned about: the law of unintended consequences. Are you not concerned at all that, if you change these rules and make it less attractive for landlords to invest, it might mean a reduction in supply that has the perverse outcome that you really do not want, which pushes prices up and makes life more difficult?

Jon Sparkes: We have to hold several things in our heads at the same time. There is certainly a housing crisis, which requires us to increase supply of housing full stop. There is also a homelessness crisis, which is not made or broken by the overall supply of houses. It is made or broken by the overall supply of affordable and accessible houses to people who cannot afford anything else. We have to hold both in our heads at the same time.

Q20 **Kevin Hollinrake:** Yes, quite. You do not want to do anything that makes matters worse, do you? That is one of the key things people are worried about here.

Jon Sparkes: I can see the worry. In the consultation the Government are going to do, we need to make sure that the worry is addressed. We do not want to do something that means there are fewer houses for homeless people to move into.

Q21 **Kevin Hollinrake:** You seem to think that eliminating section 21 would suddenly solve a lot of these problems, but what would stop a landlord simply saying, "I am putting the rent up 50%"?

Deborah Garvie: You would have to have limits to rent increases linked to permanent tenancy. Otherwise that is how the landlord would be able to get you out. We have been working very closely with our colleagues in Shelter Scotland, where they have had permanent tenancies for some time now and it has not had that effect. The things that we were warned would happen have not actually happened. You can look at other countries in Europe. What we have to ask of private landlords is, "Are you looking to rent out a home or are you looking to rent out a short-term let?" If you are in the business of letting out homes, homes have to have some sense of permanence.

Q22 **Kevin Hollinrake:** Are you proposing rent controls as well as this, as a policy? Is that what you are suggesting?

Deborah Garvie: If you have a permanent tenancy system, you would have to have some sort of formula to limit rent increases, not the original rent.

Q23 **Kevin Hollinrake:** Is that what you are proposing as well? Are you proposing rent controls?

Jon Sparkes: You cannot have permanence of let with unlimited ability to increase the rent. The two do not work together.

Q24 **Kevin Hollinrake:** Is that a yes?



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Jon Sparkes: It is not a rent control, but it is not allowing no-reason rent increases effectively to take the place of no-fault evictions.

Q25 **Kevin Hollinrake:** Is that not a control?

Jon Sparkes: It is a control, yes.

Deborah Garvie: It is a control on the increase in the rent, not the market rent. You would still pay a market rent at the outset, but it is your landlord's ability to increase that rent way above inflation for whatever reason they want.

Jon Sparkes: To add to this, the dimension that neither of us has really mentioned yet is social housing supply. That needs to be played into that situation as well. We have both stated different but consistent numbers in recent research about the level of social housebuilding that would be required to deal with the backlog. We talked to landlords and investors, who value the reliability of a market-linked local housing allowance and the reliability of rent payments, both in terms of return for investors and in terms of letting to reliable tenants.

Chair: Thank you both very much for coming. I am sure this point will be pursued with the Minister when she comes to see us a little later.

Examination of Witnesses

Witnesses: Councillor Adele Morris and Councillor Farah Khanum Hussain.

Q26 **Chair:** Thank you both very much for coming. Perhaps you could say who you are and the organisation you are representing to start off with.

Cllr Morris: I am Councillor Adele Morris. I am deputy chair of the Local Government Association's Environment, Economy, Housing and Transport Board.

Cllr Hussain: I am Councillor Farah Hussain. I am the cabinet member for housing and homelessness in the London Borough of Redbridge, and I am here representing London Councils.

Chair: Thank you both very much for coming this afternoon.

Q27 **Helen Hayes:** Thank you for coming this afternoon. The Government allocated £72.7 million in new burdens funding for the implementation of the Homelessness Reduction Act. During our last evidence session in December 2017, you both warned that this would be insufficient, and London Councils anticipated a funding gap of £67 million a year. What has been the reality in each of your councils and across the organisations you represent since the Act was implemented last year?



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Cllr Hussain: The flexible homelessness support grant was implemented. That was introduced in April 2017. It will last until March 2020. It is the same with the new burdens funding that was introduced alongside the Homeless Reduction Act. The Government expect the policies to be cost-neutral in the third year, so there is no funding after 2020. Prior to the implementation, like you said, London Councils estimated that the new duties would cost local authorities in London £77 million per year and, like you said, the funding the Government allocated across the country was less than that, £72.7 million. London got £10 million of that per year. In my own authority in Redbridge, we estimated that new burdens would cost us £4 million per year, and last year we were allocated £285,000. There will be even less next year.

Ahead of the spending review this autumn, London Councils has commissioned the LSE to carry out a review of the Act and its implementation across London. This is due to report back in May and we can share that with the Committee to let you know, but the initial findings back up our predictions about what would happen. Housing directors are very pessimistic across London about the policy being cost neutral in the third year. We just do not see that happening with the number of people coming to us in housing need, in need of temporary accommodation, and the administrative changes we have had to make to comply with the new regulations.

Cllr Morris: From the LGA's point of view, the funding has enabled some councils across the country to do really good work on this. Some of them have developed new homelessness strategies or reviewed the provision they already have. The average funding gap was reported as £155,180, to be specific, or 93% of the current HRA funding. In terms of staffing, it is the equivalent of four full-time staff members.

It is quite complicated. It is not just about the staff; it is about the new IT systems they need to have. They also do not have the additional tools to deal with this, such as the affordable housing. There is a burden on making up shortfall. Again, the HRA cap was mentioned earlier on. Because it is so low, some councils are having to top that up for people in the private rented sector. As we all know, councils across the country are undergoing reductions in their budgets all the time. There is an estimated £8 billion shortfall. I have some figures here. The LGA analysis shows that the councils' homelessness services are facing a funding gap of £110 million by 2019-20, £421 million by 2024-25. This is just the homelessness services. That is obviously going to put huge pressure on them.

The affordability for people to pay the rent is causing problems; the lack of affordable homes full stop is also contributing to the issue. Councils are having to put people into temporary accommodation, and then there is nowhere that they can afford to move on to.

Q28 **Helen Hayes:** The funding levels were based on Government predictions



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that the Act would lead to a 7% increase in applications for homelessness assistance, a 15% fall in households that qualify for temporary accommodation and a 36% increase in cases of homelessness prevention or relief. Has that balance proved to be accurate? Is it skewed in a different direction?

Cllr Hussain: It is pretty far off. We have not seen those figures at all in London. London Councils was quite clear at the beginning of the process that it did not believe the Government's assumptions and methodology were correct. Some payments that local authorities make to keep people in their homes or incentivise landlords to take people on are not included in the calculations. The housing crisis in London is still raging. In Redbridge, we have seen more people come to us to ask for assistance. We are placing more and more people in temporary accommodation. We have not seen the reduction that the Government predicted at all.

The MHCLG new burdens assessment is also based on national averages, so it does not take into account the higher cost of housing and staff in London. I cannot emphasise enough how key the incentive payments are for us in London to get landlords to take people on at local housing allowance rates, which are a lot lower than market rents, as we have heard before.

Q29 **Helen Hayes:** Both of you have talked about the shortfall in funding against the original estimates of cost. Are there any aspects of the implementation of the Act that have also proved to be more expensive to deliver than was originally anticipated?

Cllr Morris: There was an anticipation that there would somehow be a reduction in the temporary accommodation costs, and in fact that is not the case at all. As I just said, more people are being put into temporary accommodation that is more expensive. Fundamentally, there is a lack of affordable housing at the lower level, particularly social housing, for people to move into. Could you repeat the rest of the question?

Q30 **Helen Hayes:** You talked about the shortfall against the original estimates. It is just about whether there are aspects of the implementation of the Act that have proved to be more expensive than was originally anticipated. Temporary accommodation costs are a good example.

Cllr Morris: There are things like the H-CLIC system, for example. There is a cost involved in setting up the computer system. It is not just about staffing costs; there are all sorts of associated costs in setting up some of the additional elements of the provision, to meet the duties.

Q31 **Helen Hayes:** Last month, it was reported that London councils are paying private landlords more than £14 million a year in incentives to persuade landlords to house homeless people. Payments of up to £8,300 each were made to landlords more than 5,700 times in 2018 to house people who were either homeless or considered at risk of homelessness. Can you explain why you think that is happening? In the context that we



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are in, is that an acceptable use of the resource the Government have provided to councils for the HRA?

Cllr Hussain: Incentives have been around for a long time. It is not a new thing that we are offering incentives to landlords. Last year in Redbridge, we paid £1.1 million in incentives to landlords. Those payments are needed to get the supply of affordable housing, because otherwise landlords would not take people on at local housing allowance rates, which are just far too low in London. The lack of social rented accommodation is a key pressure on us, which means we are reliant on the private rented sector. There is no other option for people apart from the private rented sector. In the London market, it is very rarely possible to find decent accommodation at LHA level. There is really no alternative. We are more and more reliant on the most expensive form of temporary accommodation, nightly let properties: 31% of temporary accommodation placements in London are now nightly let.

Cllr Morris: It is not just a London issue. As we heard from the previous speakers, affordability is an issue across the country.

Cllr Hussain: I could give you an example. In Barking and Dagenham local authority, which is an outer London council, a low-rent area in comparison, the average rent is £240 per month higher in the private rented sector than LHA.

Helen Hayes: Thank you. That is very clear.

Q32 **Mr Prisk:** In London, where this is very acute, if supply of those landlords was to shrink further, what would that do to your budget?

Cllr Hussain: It would mean that we would have to pay more in incentives or we would have to look at placing more people out of borough.

Q33 **Andrew Lewer:** In the LGA's written submission, you highlighted that the most significant change for councils in implementing the Act has been H-CLIC, the system used for collecting data about homelessness. I wondered what was behind that assertion and what the main concerns around the system are.

Cllr Morris: The biggest concern is around the lack of time that councils had to get the systems in place and get them up and running, and the cost of setting them up and getting everybody up and running and able to use them, but the introduction of it was very quick and that probably caused the most problems.

Q34 **Andrew Lewer:** Have you had any experience with the system?

Cllr Hussain: H-CLIC is generally very unpopular in London. We are not really sure that it is the most significant financial challenge, because the cost of temporary accommodation is so high that that is No. 1 in London, but it is a major administrative challenge for staff. We have more and more staff who are meant to be working to prevent homelessness just



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carrying out administrative tasks and inputting data into an online system. Many do not understand why it has to be so burdensome and complicated.

Cllr Morris: Again, that is not just a London issue. It is taking staff time away from other duties.

- Q35 **Bob Blackman:** Can we move on to the quality of service and the impact that people get from coming to your local authorities, both the LGA and London Councils, when they are at risk of homelessness or actually homeless? What is the impact on the people coming to apply?

Cllr Hussain: People have more time with an adviser. We have seen the time our officers spend with each client or family double from one to two hours, to three to four hours. But there are not the outcomes there that would mean a successful client journey for them.

- Q36 **Bob Blackman:** The aim of the Act was for people in receipt of a section 21 notice to be able to apply up to 56 days before they become homeless. Have people in receipt of section 21 notices been coming in? Are they waiting until the evil day when they are actually evicted?

Cllr Hussain: It would depend on the local authority. In my local authority we are redesigning the way that we work to ensure that we have services put in place as early on as possible, to prevent homelessness from occurring in the first place. Where that is not an option, where that cannot happen, where the landlord does not accept an incentive and wishes to pursue a section 21—

- Q37 **Bob Blackman:** The key is the individual approaching the local authority to get help and advice before they are facing the evil day when they will be evicted. Are you seeing a change in that?

Cllr Hussain: We are seeing that, but it is quite early on in the implementation to review the full impact of the legislation. We are seeing it but, like was said earlier on by Shelter and Crisis, there has been a lack of awareness of the new duties we have and people's rights.

- Q38 **Bob Blackman:** I have seen evidence from London authorities where people are being told, "Go away. Come back on the day you are evicted". Is that happening in your local authority?

Cllr Hussain: No.

- Q39 **Bob Blackman:** Are you sure?

Cllr Hussain: I do not think so.

- Q40 **Bob Blackman:** There are London authorities where I have evidence that that happens on a regular basis. As a result of that, their temporary accommodation costs have shot up through the roof, because they have to accommodate them in temporary accommodation on a nightly basis. What is the position nationally?



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Cllr Morris: I do not have any specific national data. I know the aim of most authorities is to support people to stay in their homes wherever possible and prevent homelessness in the first place. I do not have any specific data around the days people are being seen or whether they are being sent away. I do not believe that is happening in Southwark, which is my authority.

Q41 **Bob Blackman:** Has there been a large increase in the number of people applying for assistance?

Cllr Morris: Yes, there has.

Q42 **Bob Blackman:** Can you put a figure on that?

Cllr Morris: Bear with me. I can give you a figure on that one. I do not know if you have a figure for London Councils. Actually, I do not have a figure. I have a figure that the number of households in temporary accommodation has risen by 67% in England since April 2011. Actually, I am not sure I have that figure here, but we would be very happy to supply that.

Q43 **Bob Blackman:** One of the things we are looking for is data that says how the numbers of people threatened with homelessness or actually homeless approaching the local authority have changed over the last 12 months or so. It would be very helpful to have that data, because there has been criticism of the Ministry for not providing that data. If the LGA has information, that would be very helpful. Do we have a position in London on that?

Cllr Hussain: I cannot find a London figure, but I can see that, in Barking and Dagenham, there was an increase of 50% of people presenting in a year.

Q44 **Bob Blackman:** What sort of numbers? You do not have figures across London of the number of people presenting.

Cllr Hussain: Not to hand.

Q45 **Bob Blackman:** Okay. Do you have any anecdotal evidence of people who previously, hitherto, would not have been eligible for assistance at all, people who are, say, sofa surfing or literally staying with friends, but are actually homeless? Is there evidence of those people applying for assistance?

Cllr Morris: Yes, and receiving it. Single people are now able to access assistance that they were not previously able to access.

Q46 **Bob Blackman:** What is the increase?

Cllr Morris: I do not think I have the specific percentages, but we can certainly find out. We can give you the information if we have that data to hand.

Q47 **Bob Blackman:** It would be very helpful to have data on these particular



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aspects. The other issue that has come to the fore is evidence, potentially, of people being turned away who actually qualify for help and assistance. What process is gone through to triage people in your respective local authorities to ensure they are eligible for assistance?

Cllr Morris: Because I am not the cabinet member in Southwark, it is not my area of responsibility, although I know Southwark is an exemplar in its approach to this. I do not know whether you have more detail specifically about Redbridge and how it works?

Cllr Hussain: We can definitely share that information and the workflow people go through. That will form part of the LSE report that will be ready in May 2019, so in a couple of months.

Q48 **Bob Blackman:** In answers to previous questions, you raised the issue of temporary accommodation budgets going up. Temporary accommodation is the most expensive form of accommodation you can possibly have. The Government, I think, scheduled the savings on saving money on temporary accommodation, because people would be seen earlier in the process and, therefore, there would be an avoidance of using temporary accommodation. Your evidence suggests at the moment that that is not the case, that it is the reverse. Why is that?

Cllr Hussain: We have a housing crisis in London, which means that rents are—

Q49 **Bob Blackman:** We could get into a political battle over this, over the fact that the Mayor has failed to build enough housing, given that he has been given money, but I do not think that resolves the argument.

Cllr Hussain: I am not here to represent the Mayor of London.

Q50 **Bob Blackman:** I understand that. The point is that, if you have people approaching the local authority for assistance, if they approach 56 days before they are going to be homeless, you have basically two months to find them alternative accommodation. It suggests to me that that is breaking down, or people are applying too late in the process. I just want to get to the point of which it is. Is it people not applying early enough, or are they being put off, or is it the case that they approach at the last minute and the local authority has no chance of finding them alternative accommodation?

Cllr Hussain: The problem is that there is no alternative accommodation, apart from temporary accommodation. We do not have the supply of new, affordable accommodation for people to move into when they present as homeless. That means that, as local authorities, we are reliant on the private rented sector and temporary accommodation to fulfil our housing duty. There is no other option for people. It just does not exist.

Q51 **Bob Blackman:** Are you housing everyone within your borough?

Cllr Hussain: Me, personally, in Redbridge?



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Q52 **Bob Blackman:** Not you personally, but in Redbridge.

Cllr Hussain: No.

Q53 **Bob Blackman:** Where are you putting people?

Cllr Hussain: Half of the people are in the borough and, if they are not, they are in surrounding boroughs, and we have a few people further out than that.

Q54 **Bob Blackman:** There is also anecdotal evidence, in particular in London, of councils choosing to put people in Luton, Birmingham, Wolverhampton, further north as well. Is that happening in Redbridge?

Cllr Hussain: Not as far as Luton, no.

Q55 **Bob Blackman:** The point here is that, if people are approaching you, approaching the local authority, and they are being given accommodation far from where they are based, that may be cheaper as accommodation; it may be an alternative; it may be more available. The issue then is that, anecdotally, a lot of London authorities are doing this. That is what we hear from across the country. I am trying to tease out what the position is in Redbridge, which you could account for.

Cllr Hussain: You have to put this into the context of wider local authority cuts. As we said, we are paying millions of pounds across London in incentives every year. That is unsustainable. We cannot keep funding landlords to take on people at LHA rate. It is just not sustainable in the current climate. That has led to some councils looking further afield to find more affordable accommodation for their clients who come forward, so they can afford to rent at LHA levels.

That is not a decision all local authorities in London have taken. Some of them have; some of them have not. In Redbridge, we have a scheme where we have taken on a couple of hundred properties at a former barracks in Canterbury. Every single family that was placed there was given the choice about whether to go, and only one family has come back since being moved there. It depends on the local authority, but these are very difficult circumstances. We are in the middle of a housing crisis that does not look like it is going to let up.

Q56 **Mr Prisk:** I am aware of time, so I will be as brief if I can. Earlier, I asked the panel, the charities that are very involved in this, about this issue of quality of advice and assistance. It was clear both from written evidence and from the oral evidence we heard that there is a wide variance between, very often, neighbouring authorities around the question of whether those authorities made the cultural change to shift to an entirely different approach to dealing with homelessness, the prevention approach, as opposed to the previous one. Clearly, sharing of that practice is very important. What steps have either the LGA or London Councils undertaken to promote that best practice?



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Cllr Hussain: We have a housing directors' group that meets regularly to talk about new initiatives going forward and it definitely shares best practice. In terms of the different approaches being taken in neighbouring authorities, as Councillor Morris said earlier on, this Act was implemented very quickly. It took a lot of time for people to get their heads round the changes that were needed. Different authorities have taken different approaches of how to go about that. London councils and people across London councils work together to share best practice. Informally, among political leads we share best practice.

Q57 **Mr Prisk:** Does that include the staff on the front line?

Cllr Hussain: Yes, that is the directors. Oh, staff on the front line. The directors meet regularly and I am sure they pass down that information.

Q58 **Mr Prisk:** But nothing has been organised for the front-line staff.

Cllr Hussain: Training has been organised for front-line staff.

Q59 **Mr Prisk:** But not sharing of best practice.

Cllr Hussain: Not as far as I know so far.

Cllr Morris: Even though I am not a cabinet member, the one thing I know particularly about Southwark is that Southwark has been inviting other authorities to come in. Southwark was one of the early trailblazer authorities. I know it has been inviting other authorities in and working with other authorities to support them to look at the ways they are working and implementing this. I think you asked earlier on for specifics. Was it you who asked for specific authorities earlier?

Q60 **Mr Prisk:** I was hoping, yes.

Cllr Morris: The LGA does not yet have a list of best practice authorities from around the country, but we are working with local authorities at the moment and trying to get information back on what works and what does not. Across the country, circumstances are different for all sorts of reasons. Funding circumstances are different. The access to shared services is different, depending on the size of the authority, your demographics, the nature of the constituencies. Although there will be a certain level of best practice, it will still not be something you can roll out automatically across every single authority.

Mr Prisk: No, I understand that. I just wanted to understand what sharing of that practice has taken place beyond simply recognising the legal or the literal approach and understanding that this is about a cultural change of mind that is needed. That means not just training for frontline officers but slightly more than that. Thank you for your answer.

Q61 **Mr Dhesi:** I will keep my remarks fairly brief. Councillor Morris, the Government have said they are undertaking a review of the Homelessness Reduction Act, including elements of the Act and processes that might need adjustment. In your opinion, do any parts of the process



require further adjustment? Also, should the duty to refer be extended to others, such as GPs?

Cllr Morris: On that second point, the LGA has been quite clear that we think it should be a duty to co-operate and not a duty to refer. Working together will achieve a much better outcome. An example of where the duty to refer has not worked is that we have heard examples of prison resettlement services that are not being used because people are just being referred directly to the local housing authority to be sorted out, rather than using the facilities we already have. I do not think we have a particular view on whether GPs are in or not, but our real view is that it should be much more about co-operating and not just sending more people through the council system, particularly when there are other opportunities available for assisting those people.

Q62 **Mr Dhesi:** Councillor Hussain, the Government review will also look at how the Act has changed the approach of local authorities and their partners to tackling homelessness. Do you think the Homelessness Reduction Act incentivised innovation? Has that actually happened in homelessness provision?

Cllr Hussain: There is some good practice of innovation in London, but the short-term nature of the funding that goes alongside the Act means there cannot really be that long-term strategic innovative thinking that I think councils would really like to carry out. Like I said earlier on, the H-CLIC and other administrative tasks around the implementation of the Act are quite burdensome. That takes people away from doing the one-to-one, face-to-face work they should be doing, but also maybe some strategic thinking that could have happened instead.

On a pan-London basis, there are a lot of new things happening, but they are not directly related to the Act. Some London local authorities have joined together to create a company called Capital Letters, to procure temporary accommodation. We have also joined together to procure modular housing to use for temporary accommodation. They are not exactly HRA specific, but they show we are willing and ready to innovate if we know we have the funding to go forward. We cannot start innovating now if we are only guaranteed funding for another year.

Chair: Thank you both very much for coming to give evidence to the Committee this afternoon.

Examination of Witnesses

Witnesses: Heather Wheeler and Jeremy Swain.

Q63 **Chair:** Minister, thank you very much for coming to be with the Committee this afternoon. Perhaps you could begin by introducing your official who is with you today.



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Heather Wheeler: Jeremy, do you want to introduce yourself?

Jeremy Swain: Yes. My name is Jeremy Swain. I am the deputy director covering homelessness and rough sleeping delivery at MHCLG. I am on a placement from Thames Reach—a secondment—where I am chief executive, so I have a background in homelessness and rough sleeping.

Chair: Thank you both very much for coming.

Q64 **Bob Blackman:** One year on, what has been the impact of the legislation?

Heather Wheeler: The first thing I have to say, Chair, as ever, is that it is always a pleasure to come before your Committee. Everybody is looking relaxed after Easter. There are a few suntans around the place. Bob, you have been out banging on doors.

Bob Blackman: I have.

Heather Wheeler: One year on, this is a ground breaking Act. Mr Blackman, thank you for all your hard work, and other people's input, particularly the input of officials sitting behind me, to get this Act to where it is today. The first quarter's statistics have come out, and they are experimental statistics, but they are showing promising signs: 10,800 households have been helped to secure accommodation through the new prevention and relief duties. That is a great start, so congratulations.

Q65 **Bob Blackman:** I think you were here during the evidence from local authorities, which said that there is not enough money to fund the Act and the duties under the Act, and that costs are going up. Are you measuring both the financial output and the impact that is happening across the country effectively?

Heather Wheeler: It was interesting to hear those words, and particularly from, in effect, a London borough. The Government have been quite clear. They calculated the new burdens funding at £72.7 million, which has gone out to local authorities to implement the Act. There is no point doing this without the councils being given the tools to do the job. We all want this to work. This is part of the £1.2 billion package to tackle homelessness and rough sleeping. There is another grant that I did not quite hear the lady from Redbridge talk about, but in total there is a £617 million flexible housing grant. All of these big, big figures add up to helping councils introduce the Act in an effective way.

Q66 **Bob Blackman:** We are going to come on to some more detailed questions about the funding in a minute, so I will leave that to colleagues. Crisis in particular has given us evidence to suggest that not all local authorities are abiding by the spirit and the letter of the law. Basically, people are being turned away. They are either being put off or being told they do not qualify. Are you seeing that evidence across the country, or is this not something we should be concerned about?



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Heather Wheeler: I would never use the words “not concerned about”. However, frankly, it is inevitable that, when a major policy change comes into force, some local authorities will be slower to embrace the letter of the law than others. We are very keen that they share good practice. One of the points of the Act is the housing support teams. The HAS teams visited over 200 local authorities and have had contact with every single one, as well as face-to-face visits. We want those contacts to tease out where these issues may be.

We want to follow up on any initial assessments and to make sure that what is anecdotally said is stripped out and the spirit of the law is followed. I will make my usual plea: if anybody has specific knowledge of a specific council where they think this is specifically happening, will they please write to me and we will have a little visit with them?

- Q67 **Bob Blackman:** One issue that has been raised is that, under the Act, anyone receiving a section 21 notice is entitled to seek assistance up to 56 days before they are made homeless, but local authorities are turning people away, saying, “That is not a section 21 notice”. Have you had evidence of that being the case?

Heather Wheeler: I genuinely have not. Again, if somebody could send me that detail, I would be delighted to look into it for you. That should not be happening.

- Q68 **Bob Blackman:** It appears that some local authorities may be saying that landlords are possibly not issuing the perfect form of a section 21 notice.

Heather Wheeler: If it is not a perfect form of a section 21 notice, they cannot get rid of the tenant.

- Q69 **Bob Blackman:** Yes, exactly. I understand that.

Heather Wheeler: So they are not homeless then, are they?

- Q70 **Bob Blackman:** They are at risk of homelessness.

Heather Wheeler: Indeed.

- Q71 **Bob Blackman:** That is the crux. It is the help and advice that may be given. The other issue that has come forward is that, under the Act, personalised housing plans are meant to be developed, with actions from the applicant and from the local authority. There is a lot of evidence that local authorities are just using a template, and cutting and pasting from one to the next. While we do not want to see a lot of bureaucracy created, we want personalised housing plans, as opposed to them saying, “Here is a housing plan. Here is one I prepared earlier for someone else. This might well do for you as well”. Do you have evidence, or have you seen evidence from local authorities, of that type of behaviour?

Heather Wheeler: Early on, there was evidence. As it happens, it was a council down in the south-west. Our HAS team organisers realised what



was happening and they were able to show them a neighbouring council's way of making sure this did not happen. It was a much better and more efficient way of doing business, and the council in the south-west has changed how it does business.

Q72 Bob Blackman: One of the issues we looked at very strongly through the process of the Committee stage of the Bill, before it became an Act, was the code of guidance. I know that a lot of effort went in by officials to get the code of guidance right. What changes, if any, are you contemplating for the code of guidance going forward?

Heather Wheeler: Jeremy, would you like to answer that one?

Jeremy Swain: It is certainly something we will look at when we do the overall review. I would emphasise that the code of guidance that we had had not been updated for a long time, so it was a very comprehensive rewrite. We would be the first to say it may not be perfect, but we will be looking at it under the HRA review. For example, in terms of the rewriting, around the personal support plans, there is clear guidance about what is expected through those personal support plans. I would hope that local authorities are following that.

To reiterate the point the Minister is making, I have certainly seen good-quality personal support housing plans and personal housing plans of the type you are talking about. The homelessness advice and support team, the HAS team, is not a team that is occasionally visiting local authorities. This is their job. They are out there the whole time. As part of that, they are challenging local authorities to raise their game. They are making sure that best practice is shared and they are coming down hard when they can see evidence of local authorities not following, as Crisis said, the spirit of the Act.

It is a challenge. We can see variations between local authorities, but their role is to make sure we achieve the very highest standards. These are issues, again, that can be looked at under the HRA review. I am very grateful for the work that is already being done by organisations like Crisis, Shelter and others to make sure that review is going to be a success.

Q73 Bob Blackman: To be clear, if people are reading this or watching this and they are in the process of applying to their local authority for help and assistance, and they do not believe they are getting the right help and assistance, what should they do? Who do they complain to?

Jeremy Swain: There is an appeals process. It needs to be drawn to the local authority's attention. If there are systematic examples where particular local authorities are not fulfilling the requirements, we need to hear about that and we need to address it. That can come straight through to me, or it can go to Minister Wheeler. As I said, the HAS team is out there, routinely visiting local authorities, supporting them, recognising best practice, of which there is a great deal, but also putting



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on pressure to make sure that standards remain robust and carry on rising.

- Q74 **Bob Blackman:** Finally from me, one of the things that we put in the Act as a reserve power was that, if the code of guidance did not work, we would impose a code of practice. At what point would we consider putting a code of practice in place?

Heather Wheeler: First and foremost, we are only a year in. In fact, we are only six months in from the duty to refer, so this is very early days. I do not want to be as negative as people seem to be being about matters, because it is just too early to say. As Jeremy has pointed out, it is the HAS team's day job to make sure these things do not happen. I say this again: if you have specific instances, please let us know and we will get the HAS team out there, dealing with it.

- Q75 **Chair:** In terms of best practice, we all know some local authorities may be better than others, particularly in the early stages. Your teams are going in and helping authorities that perhaps are not as good as others. How far are you working with the LGA on this, as a combined approach? The LGA clearly has contacts in authorities as well. Are you working jointly on this to upskill and upgrade those authorities that are not doing quite so well?

Heather Wheeler: It was interesting listening to the connection with Southwark. It is money that the Department has put into Southwark for them to be the trainers for other councils to send their people to to learn, particularly apprentices, so that this best practice starts from day one, because they have been through the training course at Southwark that we have paid for. We are very keen that that happens. We are in touch with the LGA all the time.

- Q76 **Chair:** Is this being done jointly, this issue of trying to ensure those authorities that are not quite so good are brought up to the level of the best?

Heather Wheeler: Again, give me an example of a council you say is not very good.

- Q77 **Chair:** No, as a matter of general practice, is there a joint working on this issue?

Heather Wheeler: There is a joint working on this issue. We have asked everybody to consider going through the training college at Southwark that we have provided the money for.

Jeremy Swain: There is general and very good contact with the LGA and, indeed, the London councils, which is very much appreciated. The LGA report that was recently released was very informative and helpful too, and long may that continue. The important thing is that ongoing engagement. Obviously through Capital Letters, which I heard was mentioned earlier, there is an ongoing financial commitment for



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Government there to work with local authorities in London to make sure they can procure even more PRS units for people at risk of homelessness. There is a very direct way in which we are making a contribution. The key relationship is with central Government and with the local authorities.

Heather Wheeler: Particularly on Capital Letters, that is 11 London authorities coming together to run this together to get better procurement, better pricing, not compete with each other, and make PRS accessibility a much cleaner route.

Jeremy Swain: It has increased to 13 now, so we are going further.

Heather Wheeler: There you go: my lucky number, 13.

Q78 **Chair:** Finally, the previous witnesses were talking about the issue of the duty to refer, and it would be much better if it was a duty to co-operate. I think we had this discussion in the Committee stage of the Act. When you are doing your review, which you have just announced, of the Act, is this something you will be prepared to look at again?

Heather Wheeler: We will be prepared to look at all parts of the Act, because there is no point us passing legislation in this august body if it does not work. We will see the proof of the pudding. It has to have a decent run at it. March 2020 is when we make the announcement and I hope that clarity will be there.

Q79 **Chair:** We may see you again to get that clarity at that point.

Heather Wheeler: I am sure you will. It will be an absolute pleasure.

Jeremy Swain: With duty to refer, we want to see how it is working. It has come in very recently, in October last year. It should create momentum for referrals to come from all sources. I understand the issue about GPs making referrals, but we still need to do more to encourage those institutions, those services, to make referrals. Interestingly, early on, the police were making duty to refer referrals when there was no obligation on them to do so; nor is there now. It is about making a cultural shift. If a duty to co-operate is going to do that more successfully, we would have to look at that with care, to see why it should be different. We will be doing that, both at the HRA review and through the consultation we are going through in terms of wider local accountability.

Heather Wheeler: Sharing best practice and good news, because that is what I like to do, I have a local ladies' prison and it knew it had this duty coming its way. It specifically employed a brand new member of staff to deal with it. The relationship is fantastic with the local housing areas, working both ways, if a lady prisoner is leaving and either wants to stay in the area, or, equally, wants to go back to where they originally came from. It is that officer's duty, their job, to help with the housing referrals within those 56 days. It is a superb piece of best practice that should be shared all over.



Q80 Kevin Hollinrake: One way of improving compliance with the Act is for the users themselves to have an awareness of their rights. If you know what you are asking for, you are more likely to be able to get what you want or need. There was some research by Crisis that only 14% of users were aware of the provisions of the Act. Does that surprise you? What are the Government going to do to increase that penetration rate?

Heather Wheeler: I suppose I am disappointed that that evidence suggests 14%. I think the truth is that you only get to know about things when you need to get to know about things, so it is not really a surprise to me that a swathe of the public would not necessarily know about it, because a swathe of the public would not necessarily need to know about it. However, I am sure the survey was very robust, as it always would be from Crisis. I congratulate them on doing it and sharing it with everybody.

The next important point, then, is what we do. We are refreshing our how-to guides on how to let, how to buy and how to rent. Parts of those will show up issues on the Housing Act, and how they can find out more and better particulars from their local councils and their housing associations.

Q81 Kevin Hollinrake: In the light of that evidence, and I think it was a sample size of about 500, would you take a look at that evidence and perhaps look at it again, in terms of the general awareness of the Act, on that basis?

Heather Wheeler: I will say one thing and then Jeremy will come in, because he is dying to; I can feel it. In the run-up to the Homelessness Reduction Act coming in, we put money aside for Shelter and for CABs to help councils get ready for the Act. There is this ongoing work now with Shelter and with the CAB. If people have a problem and they can get to their CAB or do it by phone, whatever it is, they will be much better served.

Jeremy Swain: It is a reasonable challenge that Crisis is putting out, which we need to be looking at carefully under the review. The best practice local authorities have the right kind of websites that are easy to access. In Sevenoaks in Kent, they have an officer who goes out to meet vulnerable people in the community who may be at risk and, in doing so, is promulgating how the Act can work.

We will be asking external consultants to be involved in the HRA review. The element we are particularly interested in is to interview people who are the beneficiaries, or not, of the HRA, to speak directly to people who are using the services provided through the HRA via local authorities. It is a really important part of what we need to do, and to hear those issues directly is important. We can push on from there and make sure the Act and what it can do for people is further understood, so it is an essential element of the HRA review.



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Q82 Mr Dhesi: Minister, in Slough we are finding that there are more and more vulnerable and homeless people on our streets. Many of them are actually coming over from London. What is being done to help councils such as Slough?

Heather Wheeler: I brought along two sets of papers and one of those sets of papers had all the Slough statistics in it, which is pretty astonishing, and then I am looking at this bit of paper and I cannot find it.

Jeremy Swain: Shall I start off on Slough?

Heather Wheeler: You start off about Slough.

Jeremy Swain: I visited Slough about six months ago in relation to its rough sleeping numbers. Actually, they had an investment from us, through the rough sleeping initiative, and were rather slow getting it in place, but it was a useful meeting with officers. There were a significant number of people sleeping rough, including along the river there. Most local authorities give me the impression they feel like they have people coming in from other boroughs, and when that is unpicked it often is not the case.

With Slough, there is every reason why the rough sleeping numbers should be coming down quite significantly this year with the investment we have given it. The different interventions they were thinking of seemed to be the right ones. In fact, they seemed to be a good mix of emergency accommodation and outreach services, so I think Slough will be making further progress.

Q83 Mr Dhesi: If they need more help, will it be forthcoming?

Jeremy Swain: They have had an allocation for 2018-19 and another one for 2019-20. They are one of the 83 local authorities that have received significant investment. Similar to the HAS, we have rough sleeping initiative expert advisers, who work very closely with Slough. When I was on the visit to Slough, I spoke with the rough sleeping initiative adviser and the HAS adviser, because it is very important for us in Government to make sure we do not have an artificial separation between rough sleeping and wider forms of homelessness and homelessness prevention. At that stage, they were really needing to move on at the kind of pace that other local authorities were achieving, because they had had an allocation for about three or four months by that stage. To reiterate, they seem to be moving at a different pace now and those numbers should be able to come down.

Heather Wheeler: To put your mind at rest, in the experimental first quarter's figures, so April to June, 58 households were owed a new statutory homeless duty in Slough. Of those, 30 were owed a new prevention duty and 28 were owed a new relief duty, so those are the numbers your council tells us it is dealing with.



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Q84 Mr Dhesi: You mentioned earlier the £72.7 million in new burdens funding the Government have allocated for the implementation of the Homelessness Reduction Act. Local authorities warned that that would not be sufficient, and that was back in 2017. What has the reality been since the Act has been implemented?

Heather Wheeler: There are two things. You will know that there were changes in the law up in Scotland a while ago and there were changes in the law in Wales a short while ago. The difference in the figures in Wales is absolutely dramatic, in that the issues have reduced by 67%. We feel the new burdens funding, at £70 million-odd, will run well enough. If our figures come down on homelessness anywhere near the amount that Wales's have done, that figure will be adequate for councils.

We were working on the basis that maybe the figures would reduce in the short run by 10%, and a little bit longer by 20%, and then maybe 30%. Wales's figure is over 60%, so we feel, at the moment, the new burdens fund is okay. Maybe councils need to look and see what has happened in Wales.

Jeremy Swain: I would emphasise that the required level of new burdens funding would be looked at under the HRA review, and, more importantly, as part of the spending review. We must not forget that the flexible homelessness support grant is £617 million. It is a significant amount. We need to make sure that we are clear about how the money is spent, and that, when local authorities are talking about the impact of the HRA, it is clear that the impact is due to the HRA, when we are talking about new burdens funding, rather than something else that may have been an impact anyway. That is part of making sure that we are seeing a very clear picture, but it is part of a wider settlement with local authorities that needs to be part of the spending review, which we will certainly take very seriously.

Q85 Mr Dhesi: I hear what you are saying, Minister, but local authorities have told us that their prevention duties are proving more expensive to administer than anticipated, with a substantial increase in the number of people who are eligible for support. Will you provide additional funding for councils?

Heather Wheeler: Again, there is good news, because Slough's original flexible homelessness support grant was £486,007, and in the year we gave a top-up of another £167,000. We are doing our best to shovel money out to your council.

Q86 Mr Dhesi: Good. Is that going to be replicated nationally?

Heather Wheeler: Where there are issues, flexible support housing grant top-ups have gone out.

Q87 Mr Dhesi: Do the Government intend to provide additional funding beyond 2020? If not, why not?



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Heather Wheeler: We are coming to the end of the spending review. As I said at the beginning, this is the No. 1 domestic priority for our Government and for me as Housing and Homelessness Minister. We will be battling hard in the spending review to make sure our local councils get the money they need to deal with the homelessness issue.

Mr Dhesi: I look forward to that.

Q88 **Chair:** Picking up on that, Minister, I take your point: there are issues about the new burdens specifically created by the legislation, and there are wider issues about the rising costs of homelessness and the cost of housing people who are homeless. Are both those issues going to be taken account of in the spending review?

Heather Wheeler: Yes, of course.

Q89 **Chair:** Right, so you are not going to wait for the conclusion of the review of the homelessness legislation before deciding on the new burdens costs.

Heather Wheeler: No. In between time, in London we have put £50 million aside for Mayor Khan to move on accommodation. Equally, outside London we have asked Homes England to do that sort of thing. We want that to start right now so that, for people who are talking about issues of temporary accommodation, we get these new builds going. Perhaps you would like to ask Mayor Khan what he has done with the £50 million.

Chair: He is not here today, so no.

Heather Wheeler: He is not here.

Q90 **Chair:** In terms of the total pressures of homelessness, including the new burdens from the Act, these will all be considered as part of the spending review.

Heather Wheeler: They must be. To use a phrase I hate to use, it is holistic, yes.

Jeremy Swain: The HRA review will be starting very shortly, because we have a very tight deadline to deliver a report by March 2020, so that should run—

Chair: Yes, but in the actual spending review these will be considered.

Heather Wheeler: Yes.

Q91 **Chair:** To pick up a couple of points about statistics, one of the issues when we looked at homelessness as part of our initial inquiry was that trying to get any figures was very difficult. The Office for National Statistics said the methods of doing the calculations were not fit for purpose, whether it be, at the one end, rough sleeping, or, at the other end, simply people sleeping on friends' sofas. There were no real proper assessments. How far have we got with an overhaul of statistics and



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actually getting some figures that everyone can agree with that mean something?

Heather Wheeler: That is a difficult question to answer.

Chair: That is why I have asked it.

Heather Wheeler: You are very kind, Chair. That is why I always like coming here. I think the answer to your question is this. We are confident that the way of building the statistics for rough sleeping, the process that has been used since 2010, is robust and we are confident in those figures. Nobody seemed to object to the figures when, year on year, the increases were 16%, but now we have had a reduction of 2% and 19% in the 83 RSI areas. We will go through the process with the UKSA and I am sure we will come out the other side with everybody agreeing on a happy settlement. On homelessness figures altogether, though, Jeremy can answer.

Jeremy Swain: This is an enormous change to the H-CLIC system, which has obviously been a burden for local authorities, which we fully recognise. Moving statistics to the thorough type we now have, so they go well beyond people just being accepted as being homeless, means we are going to have a much stronger statistical base. At the moment, they are experimental statistics. As H-CLIC improves, they will move into the position where they are given a much stronger status.

Similarly, with the rough sleeping figures, there was not a moment when these figures were stripped of having that high level of status, in terms of their statistical robustness. Rough sleeping is very difficult to measure. We are very clear that we are using a measure of counting and estimating rough sleeping that goes back to 2010, so we are measuring like with like. It is an extremely transparent system, because it is done involving an organisation, Homeless Link, that verifies the figures and makes sure they are robust.

Of course, there is nothing more transparent than doing a street count, as many local authorities do. They have many different local charities out with them and they have somebody in place, the verifier, to make sure the numbers coming back are the correct ones, so we feel very confident about those figures. We are also doing a data pilot.

Q92 **Chair:** But the ONS does not, does it?

Heather Wheeler: It is not the ONS. It is the UK—

Chair: The UK Statistics Authority, sorry, yes.

Jeremy Swain: At this stage, they are saying—and we entirely accept this and will comply with everything they require—they want to make sure that the figure we are putting out, which is the statistical information we have from the count of a 19% fall in rough sleeping in the rough sleeping initiative areas, is confirmed, or not, through a full evaluation of



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the rough sleeping initiative that is taking place over the next few months. That evaluation will be of both the impact of the rough sleeping initiative and the processes. That would really help us to understand those figures further.

All they are asking is that that is done. They are not in any way rubbishing the figures, far from it. They just want to make sure they fully understand it. As that particular evaluation is in place, it will be an ideal way of building our understanding of those figures.

Heather Wheeler: I will reiterate one point Jeremy mentioned, because it is so easy for us to talk in acronyms and stuff. This H-CLIC is the new management system for all the local authorities' housing groups, where they get to find out why the person is homeless, what their circumstances are, who they really are. It is the first time we have ever done that. They are experimental figures at the minute and, frankly, I think it is going to be more than a year before anybody will be able to say, "This is absolutely the definitive thing". The detail in it is so much better than we have ever had before.

Q93 **Chair:** When the local authorities gave evidence to us, they said it was the biggest administrative burden created by the legislation and they were not sure it was fit for purpose. Staff were filling these figures in and were not sure what purpose they had, which was a bit demoralising.

Heather Wheeler: That is a great shame. If it was a leader, the housing cabinet member or the chairman of the committee who said that, they need to have a chat with their HAS team.

Q94 **Chair:** It was feedback from London Councils and the LGA, which gave evidence to us.

Heather Wheeler: Okay, fine, so we need to get them to talk to their HAS team. Funnily enough, I was talking to the leader of one of the Norfolk councils, and he happened to spend a day sitting in the housing team and seeing what they were doing with these forms and stuff. He was astonished at the detail there was now. He was proud, as leader of that area, that he now understood the reasons why people were coming through and presenting as homeless or not, needing help.

Q95 **Chair:** In the review you are doing, presumably you are going to be sitting down with the LGA and London Councils and looking at whether the information being collected is actually the right information, fit for purpose, the amount of time it is taking. All those things should be questioned, surely, so you follow through.

Heather Wheeler: Absolutely, but is it not interesting that I have a leader of a council outside London who is telling me it is the best thing since sliced bread, and then I have another leader who is telling me not? Yes, of course we must review it.



Jeremy Swain: We would hope to have direct engagement with all the bodies that have been providing information to date in the review. I would emphasise, though, that what we had before, in terms of homelessness data, was not good enough. I know H-CLIC is a journey. The last thing I want and we want is for local authorities to be spending time on bureaucracy, but it is important to get that information.

The data pilots we will be undertaking over this next period will also be looking more generally at what information we can collect about homelessness and rough sleeping. As we know, those snapshot street counts do not tell us about all the people sleeping rough in a year. We need to measure how we can achieve more outcomes for those individuals, so the data pilots will go beyond the expectations we have in terms of the pure statistics, to see how else we can work with local authorities, with providers, with homelessness charities to improve our understanding of these issues and, with the evidence base we have, to make further inroads into reducing homelessness and rough sleeping.

Q96 **Chair:** That is a helpful clarification and it is presumably going to feed into the review, so that should be available. That work you are doing on statistics should be available within a year's time.

Heather Wheeler: I would hope so. There was somewhere else, and Jeremy may be able to remind me. I do not know whether it was the Scottish or the Welsh statistics, but after a year they still were not 100% sure they could call them anything other than experimental statistics. In the statistical world, maybe you have to go for two years before you can be absolutely 100% happy about them, so we carry on using the phrase "experimental statistics".

Q97 **Kevin Hollinrake:** Looking at the causes of homelessness, you commissioned a study, alongside DWP, of the wider causes, looking at affordability, relationship breakdown and the welfare system, which concluded, I think, in December last year. Could you share the conclusions of that report with us?

Heather Wheeler: The report is massive. It is very, very, very technical. It proved, or rather it showed—sadly, I think we already knew this, but it showed it—that there are multiple reasons why people end up in homelessness situations and they are complex reasons. No one particular thing came out of it. The report brought together a large body of pre-existing evidence of the causes of homelessness. The research indicated that structural factors were more important in explaining family homelessness and individual factors were more likely to contribute to reasons for people sleeping rough. It is what we sort of knew already, but it is a very hefty tome.

Q98 **Kevin Hollinrake:** Will you be publishing it?

Heather Wheeler: Jeremy, are we going to publish it?

Jeremy Swain: I do not know the answer to that.



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Heather Wheeler: We will have to write to you.

Jeremy Swain: We will let you know.

Q99 **Kevin Hollinrake:** Thank you. That would be very useful. One of the things you have recently announced, and one of the reasons seen as the biggest cause of homelessness, is the abolition of the section 21 notice, which has caused quite a bit of a stir in the sector, among residential landlords particularly. When do you envisage those will be abolished from, at what point in time?

Heather Wheeler: As I am sure you will not be shocked to hear, we are going to consult on the details of the proposals for the new tenancy framework. As part of that consultation, the Government will collaborate and listen to landlords, tenants and others in the private rented sector to develop this new deal for renting. We will introduce legislation as soon as parliamentary time allows.

Q100 **Kevin Hollinrake:** You cannot be more specific.

Heather Wheeler: No, I cannot. I regret to give you that information.

Q101 **Kevin Hollinrake:** Not even this year? As I made the point in earlier questions to Jon Sparkes and Crisis, I started in the property industry in the mid-1980s, when you rented something and it was not usually very pleasant. There was very little investment because landlords were not able to get possession of their properties back from tenants very easily. We have seen investment in the sector, which has created a very competitive market. In general, landlords do a good job. I think 80% of tenants say they have good experiences of their landlord. Are you not concerned that landlords will simply exit the market and that will have a huge unintended consequence of restricting supply further?

Heather Wheeler: I do not.

Kevin Hollinrake: You do not.

Heather Wheeler: When you look at where we are now, with the average tenancy being 3.9 years anyway, why would this have an effect on good landlords and good tenants? I do not think it will. It is more along the lines of making sure section 8 works properly, making sure the courts and justice system works properly, digitising that, making sure it is as quick and as clear as it can be. It takes away the fear of a tenant, particularly now so many more tenants are family tenants and older tenants, whereas before they did not tend to be. We want to make sure it is a fairer place for tenants to be and that good landlords get good tenants. That is what we want to achieve.

Q102 **Kevin Hollinrake:** You can understand the sector feels it is under siege. There is a succession of different policy changes in the sector, particularly for smaller landlords, the treatment of mortgage interest, tax relief on mortgage interest, followed by the changes to wear and tear, changes to tenant fees, all these. There is a feeling in the sector that they are being



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targeted unfairly and this is another change. At that point in time, do you not feel there might be a tipping point if landlords do not think they can get their property back, for example, if somebody is habitually late with their rent? If they do not have confidence in the court system, do you feel people might think it is too risky a place to invest?

Heather Wheeler: No. Again, part of abolishing section 21 will be making sure that section 8 works for both sides. That has to be the right way to do it. Some of the other issues you talk about are tax issues, which, with the best will in the world, I am not Chancellor of the Exchequer and I am not going to reply to.

Q103 **Kevin Hollinrake:** You do not think landlords will become more selective or less likely to take tenants who might be on lower incomes or in more difficult circumstances, because of the risk that, for example, if rent arrears occurred, they would be in a situation where they could not get the property back very easily.

Heather Wheeler: Again, I want to make sure that section 8 works fairly for both sides. Equally, we have made changes on universal credit, where the landlord can ask for the money to be paid direct, from the benefit arrangements direct to the landlord. We expect that to deal with that problem.

Q104 **Kevin Hollinrake:** In terms of section 8, I think you said in the letter I saw that you were going to make some exemptions for, for example, landlords who wanted to sell their property. For example, you would be able to use section 8 in those circumstances, or if you wanted to reoccupy. Do you not think those situations could be abused by a landlord? I could just say I am going to sell the property, get the tenant out and then let it off to somebody else. How are you going to stop that happening?

Heather Wheeler: The courts will deal with that, I believe.

Q105 **Kevin Hollinrake:** As a tenant, I have to take the landlord to court in that situation.

Heather Wheeler: You want to stay in the property, because you do not believe him.

Q106 **Kevin Hollinrake:** Yes, but how can the court decide whether the landlord is telling the truth while I am still in there? As a landlord, I can honestly say, "Yes, I am going to sell it". The tenant leaves, because I have said I am going to sell it, and then I do not actually sell it. I rent it to somebody else. What are you going to do at that point? The tenant has gone. He has lost his house, or her house, by then.

Heather Wheeler: Councils will have some involvement. If that is happening to them, the 56-day duty to refer kicks in. They will go to the council and the council will see what they can do.

Q107 **Kevin Hollinrake:** These situations are not just with people at risk of



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homelessness.

Heather Wheeler: They are if you are being thrown out of your house.

Q108 **Kevin Hollinrake:** No, not every person who is asked to leave under section 21 becomes homeless. What you are suggesting is not just a prohibition of section 21 to stop making people homeless. It is across the whole sector, so every single person. I am talking about the wider idea that section 21 will result in the situation that you think it will result in, without thinking it through properly.

Heather Wheeler: No, I disagree with your comments. Secondly, of course, that is why we are going to go and consult on this, and that will get wrapped up in the consultation.

Q109 **Kevin Hollinrake:** What about rent controls? You might have heard the evidence prior from some of the previous witnesses who said this would have to come alongside rent controls. Otherwise, as a landlord, I can simply say to a tenant, "I am putting the rent up 50%", and then the tenant says, "I cannot afford it". It is an effective section 21. It is effectively saying, "I am getting that tenant out by other means". How are you going to stop that happening without introducing rent controls?

Heather Wheeler: Part of the ongoing work will be new standard tenants' contracts. In those new standard tenants' contracts, there can be clauses about uplift of rent, which will be part of the contract that will be agreed from day one between the tenant and the landlord, which would not allow, therefore, the landlord to turn around and say, "50% increase", because they would be breaking the contract themselves.

Q110 **Kevin Hollinrake:** You are saying the Government will seek to impose rent controls. Is that what you are saying?

Heather Wheeler: Not at all. I am saying that we are making sure that private landlords do not behave in such an appalling way, because we are expecting everybody to think about using a standard contract.

Q111 **Kevin Hollinrake:** Yes, but, if that contract does not restrict how much you can put the rent up by, how will that help? I am playing devil's advocate here.

Heather Wheeler: You are.

Kevin Hollinrake: Most landlords would not do this, but if you are saying you have permanent tenancies, effectively, by default, but there are mechanisms where you can get that property back, if you through those mechanisms deliberately make life very difficult for a tenant, that is effectively section 21 by the back door. That is what I am saying. Is that something you are going to cater for or not?

Heather Wheeler: I would like to suggest that you put all those fantastic words you have espoused into the consultation. I am sure your contacts, which are great and many, in this area will be able to put that into the consultation as well.



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Jeremy Swain: That is right. Under the consultation, that is the kind of question we need to tease out. Clearly, on one hand we have figures around people becoming homeless at the end of an assured shorthold tenancy, which are not acceptable to Government. The last thing we want to do is to lose a market where we have some very good landlords who are behaving properly all the time. We do not want to penalise them in any way, so there is that balance we have to achieve, but we are clear that things cannot stay as they are at the moment.

Q112 **Bob Blackman:** I have a quick follow-up. The current position is that the vast majority of tenancies are assured shorthold tenancies for six months. The principal cause of homelessness at the moment is that, two months before the end of that assured shorthold tenancy, the landlord serves a section 21 notice so the tenant knows that, at the expiry of the shorthold tenancy, they are going to be out on the streets, basically. In fact, that is the position under the Act. They go to the local authority, get help and assistance. Given that you are proposing to abolish section 21 notices—which is fine; I think that is a good thing to do—what happens at the end of the six-month assured shorthold tenancy?

Heather Wheeler: We are hoping, after the consultation and when we bring in new legislation, when parliamentary time allows, that the new standard contracts will be for two years and open ended after that. That deals with the six-month tenancies altogether. If somebody wants to enter into a six-month tenancy, like a lot of young people coming to London or the metropolitan areas, whatever it is, moving around with jobs, they can have that. If that is what they want to negotiate, that is what they can negotiate, but, if somebody else wants to take on what will be a standard tenancy going forward, it will be two years-plus.

Q113 **Bob Blackman:** But the key issue here is that the market at the moment is that landlords can determine what happens. They just keep offering six-month tenancies and saying, “At the end of that you are going to leave”.

Heather Wheeler: There are lots of landlords who want good tenants, and the history and the statistics tell us that it is 3.9 years now.

Q114 **Bob Blackman:** I am sure there are. I just want to be clear, for the record, on what the Government are proposing here. At the moment, technically, at the end of six months, that is the end of your tenancy. You should leave. You should leave and vacate the property, and return it to the landlord. The way round that at the moment is that section 21 notices are issued by landlords. If we are saying we are going to abolish section 21 notices but still the landlords can have six-month assured shorthold tenancies, it does not solve the problem, does it? It could make it even worse, because the tenants will not get notice of leaving and will turn up at the local authority, on the streets, with nowhere to live.



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Heather Wheeler: That would not be the desired outcome. The desired outcome, after the consultation, after the legislation, is an expectation of a new long contract that is the norm. That is the expectation.

Q115 **Kevin Hollinrake:** A landlord in this situation would not be allowed to draw up a six-month tenancy agreement. All tenancy agreements, as I understand it, going forward will be open ended.

Jeremy Swain: That is right.

Q116 **Kevin Hollinrake:** It is not what you can negotiate. There is no negotiation. In all positions, the tenancy agreement will be indefinite. That is the case, is it not? That is the plan.

Jeremy Swain: This is where there is certainly sympathy for landlords. I think landlords quite often do not just go for six months. They roll it on, but they want to have the opportunity of ending it. The reason they often want to have the opportunity of ending it is not because they simply want to give themselves the flexibility. They are concerned about that tenant who is causing so much neighbour nuisance, so many rent arrears, so many problems for them from their behaviour, that they want to be able to give a notice requiring possession in order to get the tenancy without having to go through a notice of seeking possession by going through the courts. As a result, they roll it on.

When we end the no-fault tenancy, as we are calling it, as we end section 21 tenancies, the important thing is that landlords can still, under some circumstances, get their properties back. That also includes making sure the courts can deal with those issues where clearly it would be appropriate for the tenant to be evicted because of issues to do with extreme behaviour. I fully understand that is sometimes an issue for landlords.

Again, as part of the consultation, we have to fully understand the issues on both sides. We do not want to see victimisation of people. Nor do we want to find ourselves in the position where reasonable landlords trying to behave properly, trying to be good landlords, are driven out of the market. Everybody loses.

Q117 **Kevin Hollinrake:** Just to be clear, effectively, in going forward, all new tenancies will be open ended in terms of timescale. There will be no time period on that tenancy.

Jeremy Swain: As part of the consultation, we need to look at what we are aiming for, in terms of length of tenancies.

Q118 **Chair:** The answer must be yes, because if you do not have section 21 and you can only end the tenancy in very specific circumstances—

Jeremy Swain: You have no way of doing it unless you introduce anything additional, which is not our intention, so yes.

Q119 **Chair:** The intention is that it is basically open ended, with a clause in



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that restricts rent increases in perpetuity.

Heather Wheeler: We are going to consult on that.

Jeremy Swain: The detail is something we are going to have to look into as part of the process.

Q120 **Chair:** Otherwise, landlords will simply use a massive rent increase as an alternative to section 21.

Jeremy Swain: There has to be some way of preventing that, I agree.

Q121 **Chair:** By controlling it.

Heather Wheeler: No.

Q122 **Chair:** Sorry, it is rent control at the end, Minister, is it not? Let us just be clear about it. If you are going to write into tenancy agreements that rents can only increase by a certain amount in perpetuity, because the tenancy is open ended, it is rent control.

Heather Wheeler: It is not rent control in that the Government choose what the rent should be in the first place.

Chair: No.

Heather Wheeler: That is what rent control is about.

Q123 **Chair:** But once the rent is agreed at the beginning, it is then controlled for the future, is it not?

Heather Wheeler: In the real world, that is the contract I have signed for the rented flat I have in London. That is the real world. There are not rent controls now, but that is the contract I have signed now.

Q124 **Kevin Hollinrake:** Rent control is a huge step. That has not even been mentioned so far in the announcements that have been made by the Secretary of State, so it is a very significant point we are discussing.

Jeremy Swain: We have reached a point where we have made an announcement. Clearly, the next few weeks and months are going to be very key to answering some of the entirely legitimate issues and questions that are being raised here. We need to use that time well and we need to come out with a much more effective way in which we can both have the robust private rented sector market and be confident that people who are at risk of homelessness are not being treated unfairly. That is the objective. I am very happy to engage with you over the next few weeks to make sure we get that right.

Q125 **Bob Blackman:** Can I clarify another issue? I personally agree with longer tenancies. They are a good thing. If someone signs a tenancy agreement for three years, say, is that tenant then committed to pay the landlord the rent for three years, or do they have a get-out clause? This is the other issue that will be applied in the equation.



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Heather Wheeler: It is envisaged that there is an agreed get-out clause on both sides, but, again, that is part of the consultation.

Q126 **Kevin Hollinrake:** It cannot apply to the landlord; otherwise, it is not an open ended tenancy. As I understand it, it would be asymmetric, so the tenant will be able to get out but the landlord will not.

Heather Wheeler: The good news is that all this will happen as part of the consultation.

Chair: I hope we know what we are consulting on, or the Government do anyway. Shall we move on?

Q127 **Helen Hayes:** I want to turn now to the issue of the local housing allowance. In my constituency, we are getting very close to the point where there will be no private sector homes that are affordable entirely within the local housing allowance cap, not a single one. We are well over 90% now. We will soon reach the point where there are not any available at all. That is causing people who previously would have looked after their own housing needs in the private sector, with some support from the welfare system, to have to seek help from our councils, because they are being made homeless because they cannot cover that gap month after month after month with their earnings and their benefits.

Has the decision by the Government to reduce spending on housing benefit and to implement that cap exacerbated the problem of homelessness? Do you recognise that problem, because it certainly is the case in my constituency?

Heather Wheeler: That is a fair question. Interestingly, in that technical review, the welfare changes did not show up as being part of a major contributor to ongoing homelessness, so from that point of view the answer was no. Equally, I think we have had the conversation before—and if it was not you I apologise—where there is the top-up arrangement available by the council to assist, which goes above the LHA rate. I am sure that is a conversation you have with your council.

Q128 **Helen Hayes:** You are talking about discretionary housing payments.

Heather Wheeler: Discretionary housing payments, yes.

Q129 **Helen Hayes:** That is something my councils have both used to the maximum. It runs out and it is tapering. By nature, it is discretionary and it is one off. It is not a solution to the problem that so many of my constituents have, where month after month after month they cannot cover the gap caused by the difference between what the local housing allowance will pay and the cost of their private sector rent.

Heather Wheeler: I guess we all work out that this comes back down to supply, does it not? How are you encouraging your council to build new council houses?

Q130 **Helen Hayes:** My councils have among the most ambitious commitments



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to council housing of any local authorities in the country.

Heather Wheeler: That is very good news. That is great news.

Helen Hayes: Nothing to run on there, I am afraid.

Heather Wheeler: No, I am delighted to hear it. I want to get that information out there, that another council is building council houses. How many have they done?

Q131 **Helen Hayes:** The other part of the problem caused by the LHA issue is what we were hearing about from the local authority reps earlier, which is that councils, faced with people who are being made homeless because they cannot cover their rent on a monthly continual basis, are having to put those tenants into temporary accommodation at a very high cost. Are you having conversations with DWP about the impact this policy is having, which is essentially causing more cost to your Department and far worse outcomes for many residents?

Heather Wheeler: The straightforward answer is that that is one of the reasons we have kicked on with this Capital Letters for the original 11 and now 13 London boroughs coming together, to help make sure that there is a much more streamlined and cost-effective way of finding this in the private rented sector, so you are not competing against each other. Jeremy, you were trying to get in there, were you not?

Jeremy Swain: I would be in denial if I was going to say that the local housing allowance does not come back quite often as a major issue. There is a freeze on local housing allowance until 2020. It will be very much looked into during the spending review. In the meantime, there are ways in which we are trying to mitigate any impact there might be, including through the private rented sector access fund we have set up, which local authorities have applied for. That is a £20 million pot of money. We are very pleased to have made those allocations recently.

This is a way in which local authorities can open up more of the PRS so they can help more people into that accommodation through having these kinds of relationships with landlords. It includes landlords' incentives and other ways in which it can become financially viable to access that part of the sector. We are doing all we can to make sure we have a vibrant PRS sector and we can help as many people as possible in the situation you are talking about. In your part of London, that is very much an issue. I live just over the border in Peckham, so I can see that too. It is something we will be looking at as part of the spending review.

Heather Wheeler: In the Southwark part of your area, the access to private rented sector allocation was £179,235 to that council.

Q132 **Helen Hayes:** Yes, which is all welcome, but, admittedly, it is a one-off fix that the council has had to bid for. It is not the same as having a sustainable approach to supporting people who have to live in the private rented sector because there is not social housing for them yet and who



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cannot afford to cover the cost of the rent with what the benefit system will pay. They are different things.

Minister, may I come back on the Capital Letters solution? Anything that helps local authorities to find accommodation for people in a more streamlined way is, of course, welcome, but that system is about identifying temporary accommodation. It is not about identifying long-term, sustainable solutions, whether in the public or the private sector. It is about people who are already homeless finding a roof over their head. That is not the same as homes, is it?

Heather Wheeler: But at a much better price, because we are talking here about cost, are we not? Let us congratulate your council for building new properties. That is great, because so much of this is about supply.

Q133 Helen Hayes: The DWP local housing allowance issue is one example of a cross-departmental dimension to the causes of homelessness, but there are others. Access to mental health services, addiction support and domestic abuse services are sometimes and increasingly a problem. There are multiple varied causes that stretch across Government Departments. Could you tell the Committee how often the rough sleeping and homelessness reduction ministerial taskforce has met since it was established in November 2017?

Heather Wheeler: What do you reckon, Jeremy?

Jeremy Swain: I think the inter-ministerial taskforce would have met on four or five occasions. I cannot give you an actual number. Also, working into the inter-ministerial taskforce is an advisory panel made up of homelessness experts and local authority representatives, who were instrumental in helping to develop the rough sleeping strategy and are now involved in implementation. Of course, involvement of other Government Departments is key.

To answer your earlier question, DWP and MHCLG are in regular conversation about issues such as local housing allowance and many other welfare issues. In terms of what we have achieved with the rough sleeping strategy, £30 million has gone in for health-related support through the NHS five-year plan. We will need to make sure it is spent in the most effective way in terms of helping people sleeping rough.

Heather Wheeler: That is a mental health budget for rough sleepers.

Jeremy Swain: That is specifically around mental health. This year, £2 million will be released in order to help people access services more effectively. We are working very closely with the Department of Health and Social Care in that area, and with DWP. There are strong links there, in terms of the need to make sure Jobcentre Plus is much more geared up to help rough sleepers and other homeless people. We will be having homelessness leads in all the Jobcentre Plus buildings. A lot is going on in terms of cross-government support for what we are doing. It is really good to see the inter-ministerial taskforce leading on that.



Heather Wheeler: It is quite interesting when I go round the country and see the lead councils and the housing groups, and who they have on their team. I went to Stafford and we only popped in for about 25 minutes of one of their team meetings. They specifically have a mental health nurse, wearing a mental health nurse uniform, who goes out on the street. For whatever reason, in Stafford the rough sleepers are much more prepared to talk to her, wearing her uniform, than they are some of the outreach workers. It is literally horses for courses. That is what is so interesting about going round the country, seeing what different places do. In Southend and Medway, some of their outreach workers are mental health workers, but they have jumped across to being outreach workers on the RSI side.

Q134 **Helen Hayes:** Going into the spending review, what are your key asks, as the Minister responsible for homelessness, of the Chancellor in relation to other Government Departments, so we can move away from these kinds of one-off, short-term injections of a little bit of funding? The £30 million is a welcome commitment, but it is really a drop in the ocean when it is spread across the whole country and there is no guarantee of it going forward. What are the key asks you are making to ensure sustainable cross-departmental solutions to the causes of homelessness?

Heather Wheeler: We are trying to do even more innovative things than you might expect. In effect, I would like to be working up a joint bid with the MoJ about all prisoner releases and homelessness across the whole country, and, on the NHS side, about issues over nobody leaving hospital without that care plan and without somewhere to go. That would be working on a joint bid with health. Equally, there will be a joint bid with DWP, with the job centre particularly. We really are trying to—to use that dreadful phrase—think outside the box and put to the Treasury these very long-term, innovative ways of dealing with this, where all these different sections come into play, so the whole of the jigsaw can come together. Thank you for asking that question. It was very helpful.

Jeremy Swain: Part of it is building on what we were already doing. For example, we are working with the Ministry of Justice. We have a prison pilot—in three prisons, Leeds, Bristol and Pentonville—where we want to make sure people coming on to the street from prison do not come on to the street but are assisted in other ways. Quite a lot of what we are doing under the rough sleeping initiative and under the rough sleeping strategy are pilots, because we need to be measure what we do, and then replicate that and expand those pilots into ongoing long-term initiatives of the type you are talking about. It is a very crucial time, but there is no doubt at all that we are working very closely with those Government Departments around the spending review and will continue to do so.

Chair: Minister, thank you very much, and Mr Swain as well. Thank you very much for coming to answer our questions this afternoon.

Heather Wheeler: It is always a pleasure. Thanks very much indeed. It is lovely to see you so relaxed.