

Written evidence submitted by Cllr Rachel Blake, LGA [IOC 367]

I would like to thank you for the opportunity to provide evidence as part of the Committee's inquiry into the impact of COVID-19 on homelessness and the private rented sector. As highlighted during the evidence session, some of the key issues facing councils in their work in this area include restrictions around assisting those with No Recourse to Public Funds, as well as continued significant financial pressures, which will be particularly acute over the coming winter months as accommodation is limited given the public health risks around shared shelters. It is clear to us that the Government needs to shift towards investing in homelessness prevention measures, which should include maintaining increased support through the mainstream benefits system, increased protection for private renters, and a commitment across government to a programme of homelessness prevention.

I thought it may be helpful for me to follow-up with further detail on some of the specific points discussed during the session.

Clarity of expectations

The Committee asked whether councils are clear about the expectations on them to deliver Everyone In. The LGA's view is that the expectations are not sufficiently clear. On 28 May, [the Minister for Rough Sleeping and Housing wrote to councils](#) to ask that they take local decisions on who they could provide support to, including providing accommodation to vulnerable people sleeping rough. In response, councils reported that they felt a lack of clarity on whether the Government expected them to continue the "Everyone in" approach.

Throughout the COVID-19 crisis, the LGA has also repeatedly called for clarity in relation to the No Recourse to Public Funds (NRPF) condition. There is no eligibility for support under the statutory homelessness framework, or from local welfare funds, for people subject to the NRPF condition. Despite this, expectations on councils have strengthened, and they have accommodated many people who would otherwise be at risk of homelessness or destitution. Government guidance on public funds or information has not been updated to set out which government assistance schemes can or cannot be accessed by a person who has no recourse to public funds. Neither has there been clear guidance on councils' legal powers to support people with no recourse to public funds, and whether these will continue to apply as the risk from the pandemic changes.

However, in light of the ongoing public health risks, many councils have continued to accommodate people sleeping rough – [MHCLG's survey data](#) shows that councils accommodated an extra 15,000 people between May and September, bringing the total up to 29,000. Many of these individuals have been accommodated despite having no recourse to public funds.

This work has continued despite the lack of clarity, and despite the significant financial pressures on council services, which we have explained in more detail below. As a result, not all councils have been able to provide support to the same extent as during the height of the pandemic. However, the data shows a strong commitment overall to maintaining progress from the past months.

We are calling on Government to support councils in their commitment by universally lifting the NRPF condition during the pandemic, to enable councils to move on those already accommodated, and prevent homelessness and destitution over the coming months for migrants who can't access the welfare support system.

The Committee also asked whether councils have clear plans in place for moving people into settled accommodation. The Local Government Association has worked with the Ministry for Housing, Communities, and Local Government to launch a new, LGA-led peer support programme. This will help councils who have been awarded funding through the Next Steps Accommodation Programme to refine their plans before delivering them.

Financial pressures

The Committee asked whether the funding allocated by central government towards rough sleeping was sufficient to ensure that nobody would be forced to sleep rough. The LGA welcomes the £700 million allocated by Government towards homelessness this year – this provides vital support to councils to tackle homelessness. However, the primary focus of new homelessness funding in previous years has been rough sleeping, and particularly accommodating people who are already sleeping rough or at immediate risk of sleeping rough. To successfully end rough sleeping, such that it is rare, brief, and non-recurring, the Government must address the number of people who become homeless in the first place by investing in councils' prevention and early intervention services.

Homelessness services are under significant financial strain, with increased spending driven mostly by increases in the costs of temporary accommodation. [Recent LGA analysis](#) found that councils' net expenditure on temporary accommodation was over budget by £140 million in 2018/19. [Gross expenditure on temporary accommodation that year was £1.1 billion.](#) As a result, councils have experienced significant pressure to reduce spending on homelessness services, and especially the non-statutory services which contribute to prevention. While overall spend on accommodating households increased by almost 400 per cent between 2009/10 and 2018/19, [overall spending by councils on housing services \(excluding housing benefits\) saw a reduction of £1.3 billion in real terms between 2009/10 and 2018/19.](#)

In addition, new funding is highly targeted at the crisis response, and highly fragmented with [LGA analysis showing that at least 12 homelessness funding programmes were issued between 2015/16 and 2018/19.](#) This funding is issued on a short-term basis, which means that councils do not have the certainty they need to plan services. This is particularly important when it comes to more universal preventative services. Practically it means that councils will often be forced to wind down a service at the end of a financial year in anticipation of funding coming to an end.

Councils are increasingly asked to bid for this funding through a competitive process and this places extra strain on over-stretched officers, and risks framing vital homelessness services as a short-term add on, rather than a core part of councils' support for their local communities. Overall, [our fragmented funding research](#) found that one third of the 450 funding programmes issued to councils between 2015/16 and 2018/19 involved a competitive bidding process.

The COVID-19 crisis has increased these financial pressures. Analysis by the LGA of MHCLG survey data has found that in 2020/21, councils expect to spend an additional £110.8 million on homelessness services than what they had budgeted for, and an extra £154.1 million on placing rough sleepers into accommodation.

The announcements at the Spending Review go some way towards meeting core spending pressures and estimated COVID-19 costs next year, but only if councils make full use of council tax raising powers. The one-year Spending Review has not addressed the underlying pressures and urgent need for investment in homelessness services. The LGA is calling for an adequate, long-term and joined up funding settlement, channelled through councils' core funding, which allows them to plan effective preventative services and minimise the need for crisis response.

Tackling evictions

The Committee asked what councils are doing to tackle issues relating to quality and security in the private rented sector. The LGA recently published [a good practice guide and toolkit for councils](#) to support them in improving the private rented sector. This includes [a set of case studies](#) which highlight existing good practice in a range of councils across the country.

As set out in this guide, councils employ a wide range of approaches to improving the private rented sector and tackling evictions. This ranges from proactive support for landlords, which can help to build relationships, expand available housing stock, and improve conditions, to enforcement measures, including selective enforcement supported by tools such as local licensing schemes. All of these measures collectively play a vital role in improving quality and preventing evictions, including illegal evictions.

Councils do face limitations in employing these tools, and [we have previously raised with the Committee](#) the issues caused by restrictions on local licensing schemes. Local authorities lack the flexibility to take forward such schemes, as from April 2015 they have been required to secure Secretary of State approval for schemes that cover more than 20 per cent of the area or 20 per cent of privately rented homes. In line with the Committee's previous recommendations on this issue, we continue to urge the Government to remove the 20 per cent threshold to improve councils' ability to work with landlords and tackle evictions.

Discretionary Housing Payments

The Committee asked whether councils are able to help people affected by welfare restrictions through Discretionary Housing Payments. The LGA's view is that Discretionary Housing Payments enable councils to provide vital support to households facing a temporary shortfall. However, DHPs have increasingly been used as a panacea for shortfalls that result from welfare changes and housing policy. [Academic research from Heriot-Watt university](#) indicates that welfare reforms reduced average household income in England by £300 per head, per year between 2010 and 2018 – this is across all households rather than just households in receipt of welfare benefits.

In 2017/18, the Government's DHP figures showed that nearly 50 per cent of councils' spending because of the benefit cap is recorded as being "to help with ongoing rental costs". In high-cost areas of the country, councils reported spending a significant proportion of the DHP allocation to support households in temporary accommodation.

During the pandemic, the DWP is monitoring council spending on DHP. However, councils have highlighted that demand for DHPs will currently be suppressed by measures such as the ban on evictions. This suggests that as other COVID-19 support expires, councils are likely to face a significant increase in demand for DHPs. Councils are currently prohibited from carrying over DHP funding between financial years and face a lack of certainty about future funding.

It is the LGA's view that the mainstream benefits system should provide the principle financial and economic safety net. This is why we are calling on the Government to remove the reinstated freeze on LHA, and to maintain the £20pw UC uplift if the economic outlook requires it.

However, there will always be a need for a local safety net, integrated with the national benefits system, to support people with multiple, complex or emergency needs, and to put preventative support in place. This is why the LGA continues to call for a properly recognised and adequately resourced local safety net.

Throughout the pandemic the Government has provided councils with short-term, piecemeal funding for local welfare. While this funding has enabled councils to provide much-needed emergency support, there is an urgent need for this to be put on a more predictable, sustainable footing to enable councils to focus on security, resilience and prevention. We continue to ask the Government to restore separately identified local welfare funding to at least the £176 million it was at when the Social Fund was devolved in 2013/14. This should be explicitly integrated with work on Troubled Families and the successor to UC 'Help to Claim', as well as considering the future of DHP.

The [LGA's Reshaping Financial Support programme](#) has been developing and sharing councils' practice in improving the financial resilience and security of low-income households and we would be happy to share learning and proposals from our programme.

My thanks once again for the invitation to share the LGA's thoughts with the Committee. I hope you find this additional information helpful and please do not hesitate to get in touch with the LGA if you have further queries.

Yours sincerely,

Cllr Rachel Blake
Member, LGA Environment, Economy, Housing and Transport Board