


<p>Non-Executive Report of the:</p> <p>Housing Scrutiny Sub-Committee</p> <p>11 September 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe - Corporate Director of Place</p>	<p>Classification: Unrestricted</p>
<p>Implementation of the Homelessness Reduction Act 2017</p>	

Originating Officer(s)	Janet Slater
Wards affected	[All wards]

Summary

The commencement of the Homelessness Reduction Act 2017 in April 2018; a summary of the main additional duties of the Act, the additional burdens on the Council and the timescale for implementation in light of the necessary outstanding actions by the DCLG.

Recommendations:

The Scrutiny Sub-Committee is recommended to:

[Consider and note the contents of the report]

1. REASONS FOR THE DECISIONS

1.1 [No decisions required. This report is for noting]

2. ALTERNATIVE OPTIONS

2.1 [There are no alternative options at present unless the Government revises the date of commencement of the Homelessness Reduction Act in light of the outstanding actions required by the DCLG]

3. DETAILS OF REPORT

3.1 Background

The origins of the Homelessness Reduction Act 2017 are a mystery shopping exercise by CRISIS in 2014 to monitor the service given to and experience of single homeless people approaching their local authority for assistance. The resulting report, published in October 2014 and entitled 'Turned Away' prompted an independent panel brought together by Crisis. There followed a Select Committee inquiry chaired by Clive Betts, MP and a House of Commons DCLG Committee report 'Homelessness' was published in August 2016 addressing the issues around homelessness, affordability and availability of accommodation. In the same month Bob Blackman MP published a Private Members Bill and following several iterations and some consultation the Act received Royal Assent in April this year.

3.2 Context

The Crisis report centred around the experiences of single homeless people seeking advice and assistance and highlighted gatekeeping, signposting, placing the burden of proof on the client, not providing interim accommodation pending enquiries and not being given the opportunity to see a Housing Adviser as common.

The 'Welsh model' was discussed as a model of good service delivery and helped shape the Act, despite the context of housing provision in Wales being very different to that in England and particularly London Local Authorities. Nevertheless, for the most part these statutory provisions have been adopted in the Homeless Reduction Act.

3.3 Provisions of the Act

The Act imposes the duty to assess, prevent and relieve homelessness. Explanatory Notes giving details of each clause of the Act are attached at Appendix 1.

In summary, the new duties are:

- a person is now threatened with homelessness within 56 days rather than the current 28 days
- a new duty to assess and agree a plan to secure and retain suitable accommodation with all eligible applicants who are homeless or threatened with homelessness is imposed. The plan must be agreed by both the Council and by in writing; there is a right of review of this plan

- where an applicant is threatened with homelessness there is a duty to prevent homelessness through taking reasonable steps to secure that accommodation does not stop being available for occupation and this should be informed by the assessment plan. This duty can come to an end in several ways including securing suitable accommodation for six months, an offer of suitable six-month term accommodation is refused, the applicant unreasonably refuses to co-operate or prevention has not been possible (in which case the relief duty applies, as below). The decisions taken under this clause must be in writing and there is a right of review
- a new duty to take reasonable steps to help applicants, regardless of whether they are in 'priority need', to secure accommodation. That duty can come to end in the same ways as the duty to relieve and again needs to be in writing with a right of review. For homeless applicants who have a 'priority need' there is a duty to provide interim accommodation whilst the relief duties are carried out.
- a duty for all public authorities to notify a local housing authority of the homelessness or threatened homelessness of a person (with their consent) and to provide the contact details of the person

3.4 Implementation of the Act

In a letter address sent to all Local Authorities, Marcus Jones, MP, announced in August that it was the intention of the government to commence the Act in April 2018. Given the level and timing of discussions regarding the additional burdens funding and the new Code of Guidance outlined below, this gives a very short timescale for implementation.

3.5 Additional burdens and funding

The primary concern of Local Authorities is the additional costs incurred in implementing the new duties. The level of reconfiguration of services required by each Authority depends on the services currently provided. Pan-London there is the recognition that the lack of availability of PRS accommodation severely limits the options for prevention and relief by assisting to secure accommodation. Whilst this will not be a breach of the duty, it will necessitate a robust approach to ensuring excellent record keeping, casework management and sound decision letters as there is now an additional **five** rights of review of decisions made under the Act. From April 2018 the expectations of housing solutions through the Homelessness Reduction Act will be raised and there is a predicted surge in applications in the first few months at least.

In January 2017 Marcus Jones MP announced that the Government would provide an additional £61m to local authorities to meet the new burdens cost of the Act. The announcement also advised that 'the distribution formula is being finalised following consultation with local authorities'. There have been several formulae proposed since the spring, based on RO4 returns, costs of temporary accommodation, costs of Service provision including staff costs and predictions of the percentage increase in applications. At the time of writing this is still being discussed; London Councils, the

GLA and the East London Housing Partnership have all contributed to this discussion.

The government has advised that it will announce allocations of funding in autumn and make the first payments in winter 2017/18. Precisely which months they will be open to speculation.

The DCLG has also announced that the current data collection system needs to be changed. It has consulted with Local Authorities on the proposed additional data requirements which will impose additional financial burdens of each Local Authority. LA leads have requested that the DCLG work with software providers common to Local Authorities (in Tower Hamlets this is Northgate, used by a considerable number of Local Authorities), to coordinate the needs and thus reduce costs to each Authority. The DCLG has resisted taking on this responsibility and at the time of writing and following Marcus Jones's announcement, it seems that 'additional funding' will be provided to each LA to 'support you with this change'. No indication has been given as to the amount of funding and the costs involved in software updating are likely to be large.

3.6 Tower Hamlets implementation of the Act

The DCLG has been in consultation regarding a revised Code of Guidance over the last few months and a working group of Local Authorities have been reviewing the current Guidance (which is now 11 years old) with proposals for amendments. The final draft will be available for consultation in the autumn and will be published in the spring (again no months specified).

The HRA provides that "a local housing authority must have regard to a code of practicein exercising their functions."

Currently there is no government guidance on which to base an action plan for implementing the HRA from April 2018; the draft published in autumn will be subject to amendments.

There is also no indication as to additional funding that will be made available and so recruitment of additional officers and amendments to the database cannot start.

We would also wish to consult with key colleagues in adult and children's social care services and legal services as well as third sector partners.

3.7 Proposals

Any timetable for implementation is necessarily at this stage fluid but the key dates and actions are captured below.

Action	Date	Responsible officer
Training for Options Officers on the Provisions of the HRA	November 2017	Janet Slater with NHAS
Draft consultation on CoG published	Autumn 2017	DCLG
Announcement of	Autumn 2017	DCLG

allocation of additional burdens funding		
Review of funding allocation and service requirements	Autumn 2017	Team Managers and Service Head
Recruitment of additional officers	Autumn/Winter 2017/18	Team Managers
First payment of above	Winter 2017/18	DCLG
Training and workshops on new duty letters and PHPs	Winter 2017/18	Team Managers
Code of Guidance publication	Spring 2018	DCLG
Consultation with key partners	Spring 2018	Service Head
Additional funding for updating data collection	TBA	DCLG
Software options for data collection review	TBA	Head of Service and Principal ICMO
Implementation of HRA	April 2018	Housing Options Service

3.8 Glossary

CoG – Code of Guidance

DCLG – Department for Communities and Local Government

ICMO – Information and Change Management Officer

HRA -Homeless Reduction Act

NHAS – National Housing Advice Service

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report provides the Housing Scrutiny Sub-Committee with an outline of the requirements of the Homelessness Reduction Act 2017. The Act requires that local authorities take on additional responsibilities in relation to the assessment, prevention and relief of homelessness amongst single people.
- 4.2 Although it is intended that the Act will come into effect in April 2018 with the DCLG preparing a revised Code of Guidance which will be consulted on in the autumn, at this stage limited detail is available.
- 4.3 It is likely that there will be significant financial implications for local authorities, particularly in the early months after the legislation has come into effect when an increase in homeless applications is anticipated. The DCLG has announced an intention to provide additional ‘one-off’ financing to each local authority to support this change. The New Burdens funding allocations (totalling £61 million nationally) will be announced in the autumn, however no information is currently available on the formula that will be used to assess the

relevant distribution between authorities. The DCLG has also announced that existing data requirements will need to be changed which will probably require updates to council software systems. Additional funding will also be provided to support this requirement, although again, no further detail is available.

- 4.4 As a result of the combination of the increasing numbers of applications to the homelessness section, the scarcity of available temporary accommodation and the high levels of rent charged to the Council, significant service pressures are already being faced. Due to the difficulties in procuring suitable accommodation within the borough, it is necessary to place families in temporary bed and breakfast accommodation as well as an increasing need for properties to be provided outside Tower Hamlets. In order to alleviate this, the Council has recently introduced various initiatives to increase supply, including approving a significant capital investment of £30 million to purchase properties to be let as temporary accommodation.
- 4.5 The gross budget of the Homelessness Service for 2017-18 is £35.5 million, with the major cost element being the £27.4 million budget for the rent payable to landlords for the supply of temporary accommodation. The main source of income derives from the rents and charges that are levied to customers.
- 4.6 The majority of the rental income is however met through benefits payments, so the financial implications within the service budget cannot be looked at in isolation. Although the Council has a statutory duty to pay benefits, the level of subsidy that is recouped from the DWP is capped. The high rent levels charged by suppliers of temporary accommodation are leading to budgetary pressures within the Housing Benefits budget due to this variance between the statutory benefits paid out and the Government subsidy received.
- 4.7 The Homelessness Act will have implications for various Council services in both the Adult Services and Children's Services directorates as well as within the Housing Options service. There will also be a potential impact on the Council's partner organisations, including Registered Providers of Social Housing. As outlined above however, at this stage the financial consequences arising from the Homelessness Act cannot be quantified, but the implications must be incorporated within the Council's Medium Term Financial Strategy and the 2018-19 budget process as soon as further detail is available.

5. LEGAL COMMENTS

- 5.1 This report provides details of the changes the Homelessness Reduction Act 2017 will make to the current legislation and the new duties which the Council will need to comply with.
- 5.2 At present the Council's statutory duties in respect of homelessness are primarily set out in Part VII of the Housing Act 1996 as amended ("the 1996 Act"), includes reference to providing advisory services, interim accommodation, making enquiries in respect of eligibility and the duties owed to those in priority need and those threatened with homelessness.

- 5.3 The 2017 Act places additional duties on the Council, requiring it to intervene earlier and take steps to prevent homelessness in their areas. Homeless applicants will be entitled to assistance to avoid becoming homeless, those already experiencing homelessness will be able to access assistance regardless of whether they have a priority need. It is difficult to predict the impact of the new legislation. However, the changes are likely to lead to an increase in the number of homeless applications.
- 5.4 The Secretary of State will produce mandatory codes of practice dealing with the Council's functions in relation to homelessness or homelessness prevention
- 5.5 The 2017 Act will also include the following new provisions:
- i) An extension of the current period of time when someone might qualify as being threatened with homelessness from 28 days to 56 days. This means earlier intervention by the Council. Council's will be required to take reasonable steps to prevent homelessness for any individual *regardless of priority need* and to relieve homelessness for any eligible household. A new 'relief' duty lasting up to 56 days will require Councils' to take reasonable steps to assist the applicant with securing accommodation during the 56 days.
 - ii) An extension of the existing duty to provide free homelessness advice to any person in the local authority area on preventing homelessness, securing accommodation and the assistance available. Advice will need to be designed for vulnerable groups including care leavers, victims of domestic violence, people leaving hospital etc
 - iii) Following an assessment, a personalised homelessness plan must be agreed with all eligible homeless applicants or those threatened with homelessness.
 - iv) Council's will be able to take action where an eligible applicant deliberately and unreasonably refuses to take any steps set out in the personalised plan or if an applicant refuses a suitable final offer of accommodation.
 - v) Care leavers will find it easier to show they have a local connection with both the area of the Council responsible for them and the area in which they lived while in care, if that was different.
 - vi) An extension of applicants rights to request a review of a homelessness decisions. These will include decisions relating to the new prevention and relief duties.
 - vii) Specified public authorities will be required (with the consent of the service user) to notify Councils of if they think someone may be homeless or threatened with homelessness. The service user can choose which council they are referred to.

- 5.6 In preparing for the implementation of the 2017 Act, scheduled for implementation in April 2018, Council's will need to consider staffing resources, training new staff, implementing new procedures and updating IT systems.
- 5.7 When considering its approach to homelessness, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010; the need to advance equality of opportunity; and the need to foster good relations between persons who share a protected characteristic and those who do not.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 [This report is in relation to the implementation of statute and thus will have been subject to scrutiny by Parliament as to any equalities or diversity implications. The implementation will widen the scope of access to assistance and advice when homeless or threatened with homelessness, this now being a duty under the Act. An assessment of housing need will produce a Personal Housing Plan in collaboration with the client taking into account their housing and social needs and will thus contribute to the achievement of One Tower Hamlets.]

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 [As this relates to statute and is thus not negotiable any consideration of Best Value must be seen in that context. It is not considered to be Best Value to be required to conduct a review at every stage of the process, this being a costly exercise. Additional burdens funding is to be determined but may not meet the additional costs incurred.]

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 [This will have no impact and will not to a sustainable environment]

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 [The additional risks are in relation to expectations as to the provision of housing that the Act will bring. The risk to the Council is additional stress to front line officers leading to sickness and thus in reduction in service provision. There may also be increased mitigation with associated costs. Proposals to mitigate those risks are preparatory training and adequate software, case management tools and workflow systems. Consultation with partners and other Council services will help to inform and manage expectations.]

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 [Continued liaison with partner agencies such as the police and probation as well as Community Safety will continue to work towards contributing to the reduction of crime and disorder.]
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE .

Appendices

- Homeless Reduction Bill – Explanatory Notes
- State NONE if none.

Officer contact details for documents:

- N/A