

EDE Scrutiny Report
18th September 2017

The Homelessness Reduction Act 2017

1. **Background**

- 1.1 The Homelessness Reduction Act 2017 (abbreviated in this report to the HRA) became law in April 2017. The date of enactment, based on public statements, would appear likely to be 1st April 2018.
- 1.2 Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002, sets out the duties of English local housing authorities (LHAs) to someone who is homeless or threatened with homelessness. Current legislation means that people who are not considered to be in priority need or who are found to have made themselves intentionally homeless are owed little in the way of legal duties from local authorities. Although powers to relieve homelessness do exist.
- 1.3 The HRA sets out a framework for the most significant changes to homelessness legislation in recent years, proposing several new duties, many of which will require a change in working practices, and additional resources. The aim of the act is to propose improvements to the legal framework in order to prevent homelessness more effectively in England, without undermining the rights people currently have under the existing system.

2. **Main new statutory duties**

- 2.1 The HRA places a new duty on local authorities to help prevent the homelessness **of all** client groups, regardless of priority need, who are eligible for assistance and threatened with homelessness. A new duty is also placed on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless. The changes are:
- 2.2 **Definition of homelessness and threatened with homelessness:** this clause extends the period within which the LHA should treat someone as threatened with homelessness from 28 to 56 days, and sets out the action LHAs should take when someone applies for housing assistance, having been served with a notice to end an assured shorthold tenancy.
- 2.3 **A stronger duty on the Local Housing Authority to provide advice and information:** this clause strengthens and extends the general advice duty, requiring the LHA to design a service that meets the needs of certain groups at risk of homelessness; care leavers, people leaving prison, people who have left the armed forces, victims of domestic abuse, people leaving hospital and people suffering from a mental illness or impairment.
- 2.4 **Mandatory code of practice:** currently LHAs are required to have regard to the Homelessness Code of Guidance for Local Authorities when carrying out their Part VII functions. The new clause allows the Secretary of State to provide LHAs with “one or more codes” of practice that LHAs **must** have regard to, on how they exercise and monitor their functions under Part VII and staff training.
- 2.5 **A new duty to prevent homelessness for all eligible applicants threatened with homelessness irrespective of priority need status:** this clause includes new duties to those who are homeless or threatened with homelessness, to:
- carry out an assessment;

- agree a personal housing plan;
- help prevent homelessness; and
- help to secure accommodation for all eligible applicants, regardless of priority need.

Once triggered the prevention duty would continue for 56 days unless it is brought to an end via one of the prescribed conditions. Applicants will have a right to request a review of the decision to end this duty.

- 2.6 **The Relief Duty owed to those who are homeless:** under this clause the LHA must take reasonable steps to help all homeless eligible applicants to relieve homelessness for 56 days by helping applicants to secure accommodation regardless of priority need.
- 2.7 **Deliberate and unreasonable refusal to cooperate:** this clause places a requirement on all applicants to co-operate with the LHA attempts to comply with their prevention and/or relief duties. If the LHA considers that an applicant has “deliberately and unreasonably refused” to cooperate or take any of the steps set out in the personalised plan, they can serve a notice on the applicant to notify them of their decision.
- 2.8 **Local connection of a care leaver:** all care leavers under the age of 21 will be considered as having a local connection with an area if they were looked after, accommodated or fostered there for a continuous period of two years irrespective of who the placing authority is.
- 2.9 **Review of decisions:** this clause proposes additional rights of review in relation to new duties in the HRA.
- 2.10 **Co-operation between authorities and others:** this new duty applies to all public authorities specified in the regulations to refer cases to the LHA if they consider that a person in England, to whom they exercise functions, may be homeless or is at risk of homelessness.
- 2.11 **Other changes:** the twelve month tenancy condition for a private rented sector offer in order to discharge the full homeless duty is amended to a six month tenancy.

3. Implications to the Council of The Homelessness Reduction Act 2017

- 3.1 The Council has a good track in homelessness prevention and tools and resources to support this. Nevertheless there will inevitably be an impact on service delivery arising from the proposed new legislation which will need to be carefully managed. Officers are currently working through the detail of the implications of the HRA but it may take some time before they will be fully determined.
- 3.2 Early predictions are that once in force the changes will increase the Newcastle Housing Advice (NHA) workloads and the use of temporary accommodation. This is due to the additional steps that will have to be taken in every case. It is anticipated that casework will at least double as a result of more detailed discussions, agreements, case monitoring and reviews that will need to be undertaken with each client.
- 3.3 There is likely to be an increase in the usage and cost of temporary accommodation as lengths of stay are likely to be longer. For example, the length of time which intentionally homeless households in priority who have to be accommodated will double. We do have existing challenges to purchase temporary accommodation placements due to competing demands from neighbouring authorities and agencies. The provision in Newcastle is limited therefore, placements within Stoke are the only option

- 3.4. Whilst the government has announced that (LHAs') will receive funding to help meet the costs of implementing the legislation and this will be reviewed two years after implementation including resourcing and how it is working in practice, there is real concern that this funding will not adequately cover the additional costs that LHA's will incur.
- 3.5 We continue to explore opportunities to work with our partners to secure alternative temporary accommodation options to reduce both the time households stay in nightly paid temporary accommodation and the cost. We have been successful with two properties managed by Midland Heart within Stoke and have a third property identified that the Council owns at Keele, which will increase our accommodation provision as well as providing a more settled form of accommodation for customers, pending a more permanent solution to meet their housing need.

4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- 4.1 The provision of a homelessness and housing advice service enables the Council to prevent homelessness which assists in meeting the Corporate Priorities to provide a Clean, Safe and Sustainable Borough, a Borough of Opportunity, a Healthy Active Community and Becoming a Co-operative Council by delivering high quality community driven services.

5. Legal and Statutory Implications

- 5.1 Local Authority obligations to homeless people are set out in statute and are the subject of a Code of Guidance.
- 5.2 The Council has a statutory duty to assist all persons who are homeless or threatened with homelessness under the Housing Act 1996 (as amended 2002) part 7 Homelessness. The HRA 2017 when enacted will place a new duty on Local Authorities to help to prevent homelessness in all client groups, rather than those with specific eligibility status.

6. Equality Impact Assessment

- 6.1 There are no direct equalities issues arising from this report but it are anticipated that the diversity of client service needs will be best achieved by the Council engaging in the actions outlined within the appendix.

7. Financial and Resource Implications

- 7.1 There are 3 sources of funding for preventing and tackling homelessness. These are:
- a) The Council's Homeless Prevention Grant received as a named amount in the Council's Revenue Support Grant. This is currently £124,883, £125,871 (2018/19), £125,897 (2019/20). This grant is currently not ring fenced and therefore used to support the overall costs of the homelessness services.
 - b) A new annual Government grant provided to replace the Temporary Accommodation Management Fund (TAMF) and starting from April 2017. This has been confirmed as £40,000 2017/18 and £40,000 (2018/19). The newly named Flexible Homelessness Support Grant (FHSG) is an increase in funding compared to the previous TAMF system. The Department of Communities and Local Government published the funding allocations for the grant over two years so councils will know with more certainty how much they will receive under the new system. They have made a commitment to announce allocations for 2019/20 during 2017/18. The grant is ring fenced for an initial period of two years and during that time may be used only to prevent or deal with homelessness

- c) New Burdens Funding from DCLG for a 2-year period after enactment to recognise the new duties the HRA places on local authorities. This is estimated to be between £40,000 and £70,000 a year over 2 years starting in 2018/19 but the exact figure will not be confirmed until later in 2017 (it is expected that this funding will be ring fenced).
- 7.2 It is proposed to utilise the 2 new sources of funding (items b and c) to implement the Homelessness Reduction Act and meet the new statutory duties arising out of the Act.
- 7.3 Depending upon future funding availability, there may be the requirement for additional resources to implement service improvements for the ongoing development of the HRA. Where this is the case additional investment alongside the use of the above grants will be subject to further Cabinet consideration.
- 8. **Background Papers**
- 8.1 Further information about the Housing Reduction Act 2017 is available from the Housing Strategy team.
- 9. **Appendices**
- 9.1 Appendix 1 – A summary of the proposed actions to be taken forward by officers to implement the HRA.