

Committee: Homelessness and Rough Sleeping Sub-Committee	Date: 04/12/2019
Subject: Homelessness Reduction Act – One Year On	Public
Report of: Andrew Carter, Director of Community and Children’s Services	For Information
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Summary

- This report is to inform Members of the impact that the introduction of the Homelessness Reduction Act 2017 has had on the City of London Corporation’s homelessness services.
- The main concerns this report aims to identify are the significant increase in approaches for statutory services and the particular challenges the City faces in this area as well as the opportunities the Act has allowed us to take in order to achieve Government targets to end homelessness.
- This report is also intended to draw attention to the cost implications of the Act and the issues created by the level of funding provided by the Ministry of Housing, Communities and Local Government (MHCLG).
- The Act was introduced at a time when there was significant change, not just in homelessness, but also in welfare reform, and this report highlights the impact of these external issues and how they have affected the Act’s implementation within the City.

Recommendation

Members are asked to:

- Note the contents of this report regarding the introduction and impact of the Homelessness Reduction Act 2017.

Main Report

Background

1. The Homelessness Reduction Act 2017 (HRA 2017) was introduced in April 2018 with the intention to reform statutory homelessness assistance, with a focus on

early intervention to prevent homelessness, and to widen the eligibility criteria to assist more applicants than under the previous legislation.

2. The City of London Corporation's Homelessness Strategy 2016–19 already highlighted that homelessness prevention was a priority and something that the City was actively aiming to achieve. Therefore, the introduction of the Act did not significantly change our approach to assisting applicants with their housing situations; however, it did introduce new statutory duties and Personal Housing Plans that were intended to create more successful prevention outcomes.
3. This change in homeless legislation came into effect alongside significant welfare reform, such as the introduction of Universal Credit, the overall benefit cap, the freeze on Local Housing Allowance rates and the under-occupying charge.
4. The unique make-up of the City of London and the lack of in-borough affordable private rented options have presented their own particular challenges in implementing the new duties introduced by the HRA 2017.

Current Position

5. We have seen a significant impact and change to the homelessness service since the introduction of the HRA 2017, and this isn't always reflected in funding from the MHCLG or in the Government's data collection vehicle, known as H-CLIC (Homelessness Case Level Information Collection).
6. We have prepared this report to inform Members of this impact and to demonstrate how the City has adapted and handled this significant legislative change over the first year of its implementation.

Impact of the HRA 2017 for the City of London Corporation

- Increase in approaches
7. The introduction of the HRA 2017 has succeeded in creating more points of access for individuals intending to present as homeless, or to seek free advice and information, through self-referrals and the Duty to Refer. We have seen a significant (77.5%) increase in approaches from pre-HRA 2017–18 to post-HRA 2018–19 (see Appendix 1, Figure 1).
 8. We have also seen a large increase in the number of single applicants approaching for housing assistance and for multiple reasons (see Appendix 1, Figure 6). The HRA 2017 encourages applicants to seek assistance regardless of priority need or intentionality and we have seen this directly contribute to the increase in approaches and the large number of cases with an accepted relief duty. As a result, the Corporation is accepting fewer main duty cases than it was before the Act was introduced and implemented (see Appendix 1, Figure 2).
 9. On 1 October 2018, the Duty to Refer for specified public bodies came into effect. For the City, this has seen an increase in the number of approaches from prison and probation services (see Appendix 1, Figure 4). We have experienced

difficulty with this process due to a misunderstanding of the geographical location of the City and its jurisdiction. Many referrers believe the City of London, as a borough, is actually the entirety of London and are often confused about whether we are the 'Square Mile' or the Greater London Authority. This means a lot of work carried out on these inappropriate referrals is related to local connection, and in advising referrers about the importance of an applicant's local connection, rather than administering and acting on a referral in the way the Duty to Refer intended. We do not feel that the Duty to Refer has been a successful tool for the City and its implementation of the HRA 2017 as we have seen more unsuccessful referrals, which has created a large administrative burden with few successful outcomes for the applicant or the Authority (see Appendix 1, Figure 3).

10. We have found that the impact of the increase in approaches is largely an increase in temporary accommodation usage for all applicants (single and families) and an increase in the staff time required to carry out the extensive statutory administrative functions that the Act demands in order to fulfil its duties.

- Prevention and Relief offers

11. With the introduction of the HRA 2017 and the additional duties, like many other Housing Authorities, we have had to focus our prevention and relief offers towards the private rented sector in the absence of suitable social housing provision. The City was already a prevention-oriented local authority and therefore the introduction of the HRA 2017 has not led to a significantly increased number of prevention options to meet the increased demand of approaches.

12. There is currently a scarcity of suitable and affordable accommodation for homeless households, particularly in the City of London and London as a whole, and it is often difficult to manage the expectations of the increasing number of applicants.

13. The Act has increased the range of residents eligible for support, while the pre-existing challenges to securing accommodation (low Local Housing Allowance rates, high rents and shortages of social housing) remain and increase. The pathways established by the No First Night Out project have been a valuable asset for our single applicants, particularly following the amendment to criteria to include those who have experienced a short period of rough sleeping.

14. Our Rent Deposit Scheme remains an option for most single and family households, although the pre-existing issues around affordability remain a significant barrier to its usage. We have found that those accessing the Rent Deposit Scheme to help secure a private rented property have had to go further afield than the City and its neighbouring boroughs. To combat the increasing rent prices in borough and in nearby London, we routinely encourage applicants to search for properties in outer London boroughs.

- Temporary Accommodation usage

15. Since the introduction of the HRA 2017, the use of temporary accommodation by the City of London has continued to increase for statutory cases and for

discretionary placements of rough sleepers, funded by the Rough Sleeping Initiative.

16. Due to the unique nature of the City of London and the smaller number of approaches in comparison to other London Boroughs, it is not cost effective for the City of London to lease properties for the use of temporary accommodation as it is likely that rooms would remain void while we continue to be subject to their rent costs. To maintain flexibility, we use temporary accommodation which is let at the more expensive nightly paid rate.
17. Under the new duties in the Act, priority-need households are offered temporary accommodation during a 56-day relief duty before the council consider accepting a full duty, during which time the household is likely to be placed in temporary accommodation at these high rents. The City has seen an increase of 42.2% in the use of temporary accommodation since the introduction of the HRA 2017 (see Appendix 1, Figure 5).
 - New administrative burdens
18. The HRA 2017 has introduced several new duties that place significant administrative burdens and costs on local authorities, the costs of which are currently not fully met. This is often a barrier to delivering the aspirations of the Act. The introduction of Personal Housing Plans and H-CLIC, which can be described as an enhanced version of the previous P1E reporting tool, have created new administrative burdens that have roughly doubled the time officers spend on initial assessment interviews. This is not always the best use of resources.
19. The increase in data collection through H-CLIC has provided a wider range of data to determine the cause of, and other factors in homelessness, such as welfare reform and suitability (see Appendix 1, Figure 6). This has created a significant amount of administrative time per case.
20. In addition, we have also seen an increase in Freedom of Information (FOI) requests which places further burdens on officer time when carrying out lengthy assessments, using reporting tools and completing data collection requests. We have found that most FOI requests are for data relating to the usage and cost of temporary accommodation. This data is not always captured in our ICT system, and therefore often requires officers to carry out further investigation with varying sources and data collection systems.
21. Evidence collected by London Councils suggests that the average end-to-end officer time spent on each individual case has increased from an average of 8 to 15 hours, creating a direct cost implication for councils. We feel that this is an accurate assessment and reflection of the impact on officer time at the City.
 - Welfare reform and Local Housing Allowance
22. Progress with the implementation of the HRA 2017 has been hindered by external factors such as welfare reform. There have been significant challenges

in discharging prevention and relief duties with a viable and suitable offer due to issues relating to affordability and suitability.

23. The introduction of Universal Credit, coinciding with a freeze on Local Housing Allowance rates has meant private rented sector accommodation in-borough, or in neighbouring boroughs, is largely inaccessible for homeless applicants to the City. We have also seen applicants struggling to maintain affordable rents in social housing within the City.
24. We have seen an increase in referrals to City Advice and support agencies to assist homeless applicants with their benefit entitlement and income maximisation in order to improve the options available to them. However, these applicants are still spending lengthy periods in temporary accommodation waiting for these issues to be resolved or find themselves having to consider accommodation that is out of borough or out of London. This has had an impact on engagement with the Personal Housing Plan, in the cost of administering the plans, and the cost of ongoing temporary accommodation.

Corporate & Strategic Implications

25. The City's Homelessness Strategy 2019–23 highlights a priority for homelessness prevention, in line with the key aim and main theme of the Act and what it wants to achieve. The City has always adopted a prevention-first approach towards homelessness in the borough, but following the introduction of the Act, we have taken steps to ensure that this focus is maintained by introducing the Housing Benefit team and the Tenancy Support team to the existing Homelessness Service, therefore creating a renewed Homelessness Prevention Service.
26. We recognise that the level of funding provided by MHCLG can restrict us in finding flexibility in our approach to achieving the goals set out in the Homelessness Strategy 2019–23. In future, we would like to be able to expand on our private rented offer to discharge our prevention and relief duties, however, this is not something we have been able to implement within the first year of the Act. Despite this, there has been a determination to proactively face the changes that the implementation of the Act has introduced, in line with the priorities of the Homelessness Strategy and Corporate Plan.
27. In considering the overall challenges of the Act and the corporate challenges posed by the upcoming Fundamental Review, we will need to find more innovative and creative ways to overcome these obstacles and improve our partnership working internally and externally to create more diversity in the assistance we can offer, and to provide more suitable outcomes for all homeless applicants.

Implications

28. With the introduction of the HRA 2017 came new burdens on funding from MHCLG. The City was granted £18,283 over the first three years of the HRA 2017's implementation. In addition to this, the City was awarded £86,088 from the

Flexible Homelessness Support Grant in 2018–19 to support the ongoing work carried out by the Homeless Team (see Appendix 2, Figures 2 and 3).

29. The City's expenditure during the implementation of the HRA 2017 from April 2018 to March 2019, totals £326,869 (see Appendix 2, Figure 1). While some of this expenditure has also used Rough Sleeping Initiative funding (for discretionary temporary accommodation placements), this does not account for all additional expenditure and highlights that the new duties and burdens introduced by the HRA 2017 have been underfunded by MHCLG.
30. The HRA 2017 was intended to be cost-neutral by April 2020, however, we can see that this will not be achieved by the City within this timeframe. This is a pattern seen across London and nationwide.

Conclusion

31. The Homelessness Service recognises the positive intentions set out in the HRA 2017 and its focus on preventing homelessness. We have seen the positive intentions of the Act manifest in the City with the significant increase of approaches, decrease in main duty acceptances and more outcomes from the new prevention and relief duties. However, the overall success of the Act has been hindered by funding levels from MHCLG and the characteristics of the City, which means that suitable, affordable accommodation in the borough is still unattainable to all homeless applicants.
32. However, despite the challenges we have seen in implementing the Act, we have taken steps to improve our relationships with our partners – either internally, with Social Care teams, Housing Benefit or Tenancy Support teams, or externally with No First Night Out and St Mungo's City Outreach team. We can see that, in the future, with a more developed and established Duty to Refer, this will significantly enhance the service we can provide and the options available to applicants in order to resolve their homelessness in the prevention and relief stages.

Appendices

- Appendix 1 – Homelessness Reduction Act 2017 – One Year On statistics
- Appendix 2 – Homelessness Reduction Act 2017 – One Year On funding

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