

Plans to support people who were previously homeless into permanent housing after the COVID-19 pandemic

House of Lords

Thursday 14 May 2020



Key messages:

- Councils have made a monumental effort to ensure that people sleeping rough or in high-risk accommodation are safely accommodated during the crisis. According to Ministry of Housing Communities and Local Government (MHCLG) data, councils have now accommodated over 90 per cent of people who were sleeping rough.¹
- Councils – including through commissioned services – are providing people with accommodation, support services. This includes for substance dependency and mental health, and additional support such as food, transport, supporting with claiming benefits, and personal items such as clothing.
- Councils are continuing to face intense pressure, including from people presenting as newly homeless during the lockdown. This is likely to increase as the social distancing measures continue.
- It is crucial from a public health perspective to ensure people do not enter acute forms of homelessness such as rough sleeping. Councils therefore need support from national government to ensure that they can continue to safely accommodate people. This should include continued support to encourage hotels and other accommodation providers to open for local authority bookings, and clear and consistent communications from government departments about which funding streams are available to meet accommodation needs (including and especially for individuals with no recourse to public funds).
- Councils also require further guidance from Government on a range of immediate issues, including enforcement, housing assessments and duties under the Homelessness Reduction Act, and on personal protective equipment (PPE).
- Councils have welcomed the £3.2 million worth of additional funding to support rough sleepers, as well as the £3.2 billion to help councils through this period. However, they need a commitment that the extraordinary costs incurred by all services to date – as well as the costs from delivering “business as usual” services with reduced income flows – will be met. Without this, the sustainability of council services, including homeless services, will be jeopardised in the short and medium-term.
- The Government should urgently outline a clear strategy for how they will support people currently being accommodated on an emergency basis to move into safe housing with appropriate support after the current measures have been lifted. This is needed so that councils can effectively plan their local provision.
- Successfully addressing the worst forms of homelessness requires appropriate, settled accommodation, as a foundation for a stable and thriving life. Councils have a key role to play in tackling homelessness and are ambitious to do more. Local government has raised concerns about a number of income and cost pressures resulting from Covid-19. These may affect the future financial sustainability of Housing Revenue Accounts.

Briefing

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Further information:

Finance

- Councils have a statutory duty to support people who present as homeless or are at risk of homelessness. They have been working hard beyond the remit of these duties to urgently move people who are sleeping rough away from the streets and into suitable accommodation to help protect them from the coronavirus.
- According to MHCLG data, councils have now accommodated over 90 per cent of people who were sleeping rough at the start of the crisis. The Government supported this by liaising with hotels, providing a centralised booking system for local authorities, and reversing its initial guidance on closing hotels, bed and breakfasts, and caravan parks.
- Alongside this, councils play a key role in coordinating and providing support for people experiencing homelessness. Beyond providing people with accommodation, this includes support services for substance dependency and mental health, and additional support such as food, transport (where needed), supporting with claiming benefits, and personal items.
- These unprecedented demand pressures have created significant cost pressures for councils, which are simultaneously experiencing reduced income flows and liquidity issues. As a result, homelessness services – along with a range of other council services - face the risk of reduced capacity in terms of their ability to prevent or reduce homelessness. Combined with increases in demand for services, this could have an impact on levels of homelessness stretching into the longer-term.
- Councils have welcomed the £3.2 million worth of additional funding to support rough sleepers, as well as the £3.2 billion to help councils through this period. However, the total projected financial pressure in the year 2020/21 arising from the impact of Covid-19 nationally amounts to 3 to 4 times this amount. The Government must continue to demonstrate a rock-solid commitment that it will meet the financial challenges local authorities are facing due to the additional demands created by Covid-19, any additional costs of delivering ‘business as usual’ and the loss of income resulting from the lockdown.

Guidance

- In the immediate term there is a continued need for guidance for councils on how to support people within a radically changed operating context. This includes:
 - guidance on how councils should be carrying out assessments around emergency housing assistance so that support can be provided to those who need it. This should include guidance on how councils should be delivering their duties under the Homelessness Reduction Act.
 - guidance for police on the role of enforcement powers in supporting people sleeping rough to take up offers of support.
 - guidance on personal protective equipment (PPE), including where its use is required or appropriate.
- Guidance should also provide urgently-needed clarity to councils on how they are expected to support the large numbers of people who are currently being accommodated on an emergency basis once the lockdown period ends in the forthcoming weeks. This is needed so that councils can effectively plan their local provision.

People with no recourse to public funds

- Councils have seen high numbers of the population with no recourse to public funds (NRPF) facing homelessness and destitution, particularly given restrictions on access to benefits following loss of employment job losses. There has been a significant shift in the expectations on councils to support people with NRPF since the start of the Covid-19 crisis. Councils are statutorily obliged to provide support to families and adults with care and support needs, with no eligibility for support under the statutory homelessness framework. Despite this, councils have made a significant effort to ensure that individuals in acute housing need have been safely accommodated and supported to follow government guidance on shielding, self-isolation and social distancing.
- This vital work is made difficult by the NRPF conditions as councils must respond within the parameters of the law and avoid use of prohibited public funds. Support from local welfare funds is also legally unavailable to people with NRPF. Government guidance on public funds or information has not been updated to set out what government assistance schemes can or cannot be accessed by a person who has no recourse to public funds, leading to variance in provision.
- Whilst the Home Office has introduced some protections for certain groups of people with NRPF, these have been subject to large demand and thus delay. These also require people to actively make what can be quite complex applications, meet onerous evidential requirements and it will be unclear whether policies are satisfied until Home Office decisions are made.
- There has been limited and conflicting information available to councils on whether the £3.2 million emergency fund to support rough sleepers can be used to support people with NRPF. It is also unclear to what extent the Government's Covid-19 emergency funding will adequately meet additional costs. Data on NRPF service provision for 2018/19 - outside the current crisis - shows that unfunded provision cost 59 councils £47.5 million a year.²
- This creates significant funding and reputational challenges for councils. This should be addressed through the following:
 - The no recourse to public funds condition is universally lifted during the pandemic to facilitate compliance with government public health guidance.
 - If the NRPF condition is not relaxed, there needs to be joint work with local government to:
 - Provide accessible and clear government information in one place for both councils and their communities which include details of all schemes related to coronavirus and what people can or cannot claim when they have no recourse to public funds
 - Adequate funding for local authorities for supporting people with no recourse to public funds when statutory duties are engaged or when this is required on public health grounds
 - Remove the local welfare fund from the list of prohibited public funds
 - Introduce changes to process including provisions for people whose leave to remain is due to expire, to ensure this can continue to be valid, and amend fee waiver and change of conditions policies to reduce the evidential burden on people.

Exit pathways for people currently in emergency accommodation

- Councils are currently accommodating significant numbers of people on an emergency basis, many of whom might not meet the criteria for statutory homelessness support. Government should urgently outline a clear strategy for how they will support people currently being accommodated on an emergency basis to move into safe housing with appropriate support after the current measures have been lifted. This should include clarity on the position of individuals with no recourse to public funds.
- This strategy should be underpinned by sufficient funding for council services, and – where needed – practical support from government to identify sources of accommodation.
- Significantly more people are experiencing financial hardship now than at the beginning of the Covid-19 crisis. For example, the Department for Work and Pensions (DWP) has seen a tenfold increase in the number of people seeking to claim universal credit. For many, the threat of homelessness has been delayed by the temporary ban on evictions. However, once this ban is lifted, there is a significant risk that councils will experience an immediate surge in people presenting as statutory homeless due to eviction.
- In the medium term we need government to ensure there is improved support for economically vulnerable individuals through the mainstream benefits system. The LGA has long-called for an uplift in local housing allowance (LHA) rates. The current uplift should remain in place beyond the lockdown period, to ensure that LHA rates cover the cost of rents, and so that homelessness can be more easily prevented and relieved.

Measures to improve the supply of affordable housing

- Successfully addressing the worst forms of homelessness requires appropriate, settled accommodation, as a foundation for a stable and thriving life. Particularly in the context of significant homelessness pressures, social housing should be treated as an important national investment and seen as a desirable long-term option for a home.
- Councils have a key role to play in this and are ambitious to do more. The last time we built at least 250,000 homes a year, councils delivered more than 40 per cent of them. Lifting the housing borrowing cap at the end of 2018 was a huge step forward in enabling councils to once again resume their role as major builders of affordable homes. Analysis prior to the Covid-19 outbreak³ showed that councils across the country are planning to build 77,488 homes in the next five years, whilst another suggested that the Government's estimate that the abolition of the cap would enable stock-owning councils to deliver up to 10,000 homes per year is likely to be met – and even exceeded.⁴
- Councils have raised concerns about a number of income and cost pressures resulting from Covid-19, which may affect the future financial sustainability of Housing Revenue Accounts, including increased levels of rent and service charge arrears, void losses and loss of development income. There is a risk that these will have an impact on both council's ability to deliver their responsibilities as local housing authorities as well as their housing delivery plans. This is in addition to other increased costs as a result of building safety reforms, as well those arising from a potential revised Decent Homes Standard, and the proposed Future Homes Standard.

- In particular, a number of councils have raised concerns about the requirement to return Right to Buy receipts to the government if they are not spent within three years, given that many development sites have now closed. To ensure the replacement of homes sold under the Right to Buy scheme, it is vital that the Government urgently brings forward the proposals consulted on in 2018 and extends the spend period for replacing homes from three to at least five years.
- Councils also need a range of wider reforms so they can play their role in delivering the homes that communities need, including those for affordable and social rent. These include urgent reform of the right to buy scheme to enable the delivery of new homes. This includes allowing councils to retain all sales receipts, set discounts locally, vary the maximum amount of retained receipt that can be used to build a replacement home and combine receipts with other government grant funding.

Cross-departmental working

- Effectively addressing homelessness requires a multi-disciplinary approach, with contributions from multiple agencies. This in turn requires a commitment from all relevant government departments to support their agencies to tackle homelessness.
- The current crisis has highlighted the capabilities of local networks and provided a significant base of learning about what works well to support vulnerable individuals. This opportunity should be built on with a programme of focused, cross-departmental work, so that the Government's target of ending rough sleeping by 2024 can be achieved.

¹ <https://www.gov.uk/government/news/government-pledges-extra-16-billion-for-councils>

² <http://www.nrpfnetwork.org.uk/Documents/NRPF-connect-annual-report-2018-19.pdf>

³ <https://www.insidehousing.co.uk/insight/council-housebuilding-back-with-a-vengeance-63510>

⁴ <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/LA%20New%20Build%20Report%20Jan20.pdf>