

Local Government Association Briefing

Opposition Day Debate Homelessness

House of Commons

29 January 2020



KEY MESSAGES

- Homelessness is a tragedy for every individual who experiences it and is one of the most pressing issues facing councils. Councils are doing everything they can to tackle homelessness, support those affected and prevent it from happening in the first place.
- Through its sector-led improvement offer, the LGA helps councils improve performance, become more efficient and effective, and share good practice. As part of that offer, we provide a Housing Advisers Programme which is designed to support councils seeking to innovate in meeting the housing needs of their communities. In the previous two years of the Housing Advisers Programme, we have funded over 100 councils to help councils build homes, reduce homelessness, plan for population ageing, understand the student housing market and increase supply of modular housing.¹
- Rising levels of homelessness and the increasing cost of using expensive bed and breakfast accommodation have pushed homelessness services to breaking point. Homelessness has been driven by a severe shortage of affordable social housing and huge gaps between rents and housing benefits, which is leaving housing too unaffordable for low income families. This is leaving councils with no choice but to place more and more families in temporary accommodation, including bed and breakfasts.
- Councils should be given additional flexibilities and funding to build desperately needed affordable homes. They should be able to keep 100 per cent of Right to Buy receipts to reinvest in new homes, and be able to set Right to Buy discounts locally.
- The Government can adapt welfare reforms to protect families at risk of becoming homeless. They can do this by restoring local housing allowance rates to cover at least the lowest third of market rents.
- We welcome recent funding for homelessness services, including the £422 million resource to help reduce homelessness and rough sleeping, including an additional £54 million in 2020/21. This needs to be followed by a sustainable long-term settlement.
- The LGA is calling on the Government to use the forthcoming Budget to give councils the tools and powers they need to resume their historic role as major housebuilders of good, quality affordable homes for social rent, and to invest in homelessness prevention to stop people from becoming homeless in the first place.

Briefing

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BACKGROUND INFORMATION

Housing advisers programme: Sector Led Improvement

The LGA offers a highly valued sector-led improvement programme, which offers robust peer challenge and support to help councils improve performance, become more efficient and effective and share good practice. As part of that offer, we provide a Housing Advisers Programme which is designed to support councils seeking to innovate in meeting the housing needs of their communities.

In the previous two years of the Housing Advisers Programme, we have funded over 100 councils to help councils build homes, reduce homelessness, plan for population ageing, understand the student housing market, increase supply of modular housing, and more. For more information visit <https://www.local.gov.uk/housing-advisers-programme-201920-prospectus>.

New LGA guidance for local authorities on formulating, delivering and governing local homelessness strategies has been published [on our website](#). This is intended to support local authorities, as well as inform Government work to reform the structures that support partnership working and accountabilities in homelessness.

Homelessness

Local government is key to tackling the national homelessness crisis but it is a significant challenge, as councils face increasing cost pressures despite significant budget reductions. Councils need long-term investment, to allow them to plan and invest in homelessness prevention, fulfil the ambitions of the Homelessness Reduction Act and minimise the need for emergency responses.

The number of households in temporary accommodation, including where duty is owed, has increased by 80 per cent between December 2010 to June 2019.ⁱⁱ Rising homelessness pressures have also led to an increase in bed and breakfast accommodation over the same period. Council spending in England on placing families in bed and breakfasts rose by more than a fifth in the last year alone. This rise has been driven by a severe shortage of affordable social housing and huge gaps between rents and housing benefits, which is leaving housing too unaffordable for low income families.

We welcome recent funding for homelessness services, including the £422 million resource to help reduce homelessness and rough sleeping, including an additional £54 million in 2020/21. This needs to be followed by a sustainable long-term settlement so that councils can plan and invest in homelessness prevention and minimise the need for early responses. The LGA is also calling on the Government to adapt welfare reforms to protect families at risk of becoming homeless, by restoring local housing allowance rates to cover at least the lowest third of market rents

Investment in new housing and Right to Buy

Council housebuilding and reform to Right to Buy are both critical to boosting the supply of new homes, providing good quality homes to rent, reducing homelessness and tackling the housing waiting lists many councils have.

Councils are uniquely placed to deliver more new homes than the country has seen in a generation. A year ago, following a long campaign by the LGA and others, the Housing Revenue Account (HRA) borrowing cap was removed. Since then, 94 per cent of housing

stock-owning councils have said they will use the new powers to increase their housebuilding programmes to build the homes that their communities desperately need.ⁱⁱⁱ

With more than one million households on council waiting lists, and now more than 86,000 households in temporary accommodation, it is more important than ever that councils have all the powers at their disposal to enable them to be part of the solution and build even more homes for future generations.^{iv}

In particular, to ensure people have the right access to a mix of housing, councils must be able to retain 100 per cent of Right to Buy receipts and be given the flexibility to set discounts locally in order to invest in new and existing stock. Right to Buy has helped many families get on the housing ladder. However, councils are only able to keep a third of each Right to Buy receipt to build a replacement home. As a result they have only been able to replace around a quarter of the 79,119 homes sold through the scheme between 2012/13 and 2018/19.^v

ⁱ <https://www.local.gov.uk/housing-advisers-programme-201920-prospectus>

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/808316/Temporary_accommodation2018Q1.xlsx

ⁱⁱⁱ <https://www.local.gov.uk/about/news/lga-survey-councils-use-borrowing-powers-accelerate-homebuilding-programmes>

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/852920/StatHomeless_201906.xlsx (See tab TA1 - 1998Q1-2019Q2)

^v <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>