



Leaders' Committee

Housing and Homelessness Update Item no: 7

Report by: Eloise Shepherd **Job title:** Head of Housing and Planning Policy

Date: 10 October 2017

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Summary Due to the recent tragic events at Grenfell Tower, the housing policy context at a national and local level has shifted significantly. This report provides an overview of action on the national response to the fire safety issues evident following the fire and related issues for the provision of social housing and reduction of homelessness. The report comments on London Councils' forthcoming responses to a range of related consultations including the current review of building regulations, engagement with Government on implementation of the Homelessness Reduction Act; and ongoing work to collaborate on Homelessness and Temporary Accommodation.

Recommendations Leaders' Committee is asked to:

- to note the policy update and provide guidance on London Councils' forthcoming response to the review of Building Regulations
- to discuss and offer guidance on ongoing lobbying on the implementation of the Homelessness Reduction Act
- to offer a steer on emerging proposals to consider ways of working more collaboratively, where appropriate, on specific solutions to reduce Homelessness.

Housing and Homelessness Update

Fire Safety

Testing Programme

Leaders will be aware that following the tragic events at Grenfell Tower on the 14th June, DCLG began a testing programme for cladding materials believed to pose a fire risk when applied to high rise buildings. The testing programme was guided by advice from the Independent Expert Panel, which is supported by a sub-group which includes LFB colleagues. The full documentation around the testing programme is available online on the DCLG Building Safety Programme website.

The initial tests looked at the combustibility of Aluminium Composite Material (ACM) used on Grenfell Tower, as well as hundreds of other high-rise buildings owned by Local Authorities, Housing Associations and private landlords. The overwhelming majority of the samples tested (the test was conducted on the inner portion of the tiles submitted) were found to be combustible. DCLG then further conducted a series of seven 'full system' tests to ascertain the performance of different kinds of ACM cladding with different insulation. Of these, four were found not to adequately resist the spread of fire. Many of these had been in use on high rise buildings.

Supported by the Independent Expert Panel, mitigation advice has been issued to provide advice to building owners on reviewing and managing risk of fire while the cladding is removed.

Funding arrangements

DCLG has made clear its position that the responsibility for funding remediation works sits with the building owner. DCLG also announced that councils can apply for 'flexibilities' where the funding to complete essential works is not available. This will be considered on a case by case basis. However, local authorities (including London authorities) who have applied for more general fire safety measures (e.g. sprinklers, as recommended by LFB) have been told this work is not 'essential' and, therefore, no funding or flexibilities can be provided.

Separately the Secretary of State made statements at the National Housing Federation Conference in recent weeks that a new social rent formula will be released 'very soon'. Any reversal of the government 1% rent reduction (enacted from April 2016) would enable social landlords to release more funding for fire safety remediation both essential and additional. However, this funding may not be sufficient to address that safety work without creating other risks from reduced stock maintenance, or reduced ability to deliver additional

affordable housing supply. London Councils is currently undertaking a survey of costs of fire safety work across London and will share this work with members when complete.

Review of Regulations

The formal call for evidence to the independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt had opened. The review will make recommendations to ensure there is a sufficiently robust regulatory system for the future, examining building and fire safety regulations and related compliance and enforcement.

The deadline for responses is 13 October, leaving a short time for boroughs and other stakeholders to submit evidence. An initial response from the review is expected before the end of the year. At the time of writing, London Councils is working with the London Housing Directors Fire Safety Sub Group to consider the technical evidence to underpin a response which will be chaired politically in the normal way.

Housing Policy Update

Green Paper on Social Housing

At the National Housing Federation's Annual Conference on 19th September, the Secretary of State announced the Government's intention to bring forward a new Green Paper on social housing. This is in response to concerns raised about social housing following Grenfell. In the address, he stated that a "fundamental rethink of social housing in this country" was needed, and that the Green Paper would be a "wide-ranging, top to bottom review" of the issues facing the sector.

A full response to this consultation will be developed following publication. Leaders may wish to consider a wider strategic response on social housing from London local government as part the process of developing the formal consultation response.

Local Housing Need consultation

On 14th September DCLG published a consultation on the assessment of local housing need, as planned in February's Housing White Paper, which will close on the 9th November. The consultation proposes a series of new methodologies for assessing housing need based on household growth information. As anticipated, this radically increases the housing need figure for London (although, see Appendix 1, far from uniformly across the capital as some boroughs see reductions in their targets) to 72,000 homes per annum. These proposals raise two types of concern. Firstly, there are a series of weaknesses in the way that the assessment of need has been constructed. Secondly it raises concerns about the

centralisation of policy for housing delivery. This results from the combination of three factors. The scale of the increase in the targets set; the Government's intention to take firmer action against local authorities that do not meet targets; and finally the absence of sufficient new powers to enable local authorities to increase delivery at the sort of rates envisaged raises questions about the viability of the approach.

The first group of concerns include:

- the lack of any accompanying consideration of tenure (the majority of London's need in many areas being for a variety of affordable products);
- there is limited value in using household formulation in the figures as this automatically means boroughs that have built more will receive higher targets than those that have had less development;
- the figures will also differ from those in the draft London Plan, which are not yet finalised, but thought to be around 60,000pa level (although over a longer time period). If the proposals are adopted to the National Planning Policy Framework, as intended, they would have primacy over the London Plan.

The second group of concerns result from the expectation of Government that London increase housing delivery from 20-25,000 homes per year to 72,000 homes - an increase of between 188% and 260%. For this approach to be credible Government will need to address the timescale in which increased delivery capacity is to be delivered. This will have implications for the operation of White Paper proposals on intervention. Further powers to support land assembly in London will also be required, as will greater flexibility in the use of local authority funds. Even given these changes, it will take time to ramp up delivery to those types of level.

Draft London Housing Strategy and emerging draft London Plan

The draft London Housing Strategy (LHS) has been published for consultation by the Mayor, closing 9th December. The LHS highlights the joint effort of London boroughs and the Mayor to tackle the housing crisis, and to demonstrate the extent of the housing crisis in the capital. It also sets the direction and context for borough Local Plans, which have a direct bearing on development across the capital. The draft includes more attention on Homelessness, Temporary Accommodation and the private rented sector than has previously been the case, as well as continuing to look at measures to bring forward public land for development. The formal consultation on the draft London Plan is anticipated to be published for formal consultation this autumn. It will be of particular interest to consider how the emerging London Plan proposals fit with the developing proposals following the Housing White Paper.

Homelessness and Temporary Accommodation

Homelessness Reduction Act

Marcus Jones MP, Parliamentary Under Secretary of State for Communities & Local Government, has recently written to all local authorities setting the implementation date for the Homelessness Reduction Act for 1st April 2018 and reaffirming the national new burdens assessment for the legislation at £61m over two years. The final distribution of the national funding and the accompanying code of guidance for the legislation are still to be published. These are essential for completion of preparations to comply with the Act from April 2018.

London Councils has costed the Act across London as £77m in one year. There is significant concern that the DCLG costing has not sufficiently taken these cost pressures into account. Mayor Sir Steve Bullock has written twice to the Parliamentary Under-Secretary to reiterate these issues and also to underline the considerable increases in need across London, both in terms of the numbers in Temporary Accommodation and those rough sleeping. The letters (and the Parliamentary Under-Secretary's response) are appended to this report.

Potential improvements to Temporary Accommodation procurement

As part of the reassessment of Temporary Accommodation funding last year, DCLG has held back £25million for potential pan-London work to create efficiencies and rationalise the procurement process. This builds on the relative success of the regional rate setting in London, which has stabilised the cost of nightly paid accommodation within London. Initial work is now being undertaken to consider what ways of working could improve the current situation for boroughs and make best use of the available funding.

London Housing Directors have commissioned an initial options appraisal, which is now close to reporting back on the potential for various levels of joint working, from extensions of the rate setting work (e.g. applying the same tactics to a broader range of placements) to pooling procurement efforts and even acquisitions. Following this work, more detailed business planning and engagement with Leaders and other borough representatives will take place over the next few months, with proposals returning in the early Summer of 2018.

Pan-London Innovation Fund application

In April an expression of interest was submitted to the Greater London Authority's Innovation Fund on behalf of interested London boroughs to develop a programme of precision manufactured temporary accommodation across London. The bid was led by the Housing Directors' Temporary Accommodation Supply Sub-Group. It was supported by London

Ventures. The proposal is now being developed ahead of the final application in the autumn. Through placing new temporary accommodation units on meanwhile sites which await permanent development at a later point, London local authorities would be able to quickly increase the supply of homes for homeless households while also saving money on more costly bed and breakfast accommodation. It is also hoped that the programme can instigate an increase in the supply of modular housing and develop a sector of the market that is seen as imperative to meeting London's wider housing need. The work itself would be led by a small group of London boroughs.

Since the last Leaders' Committee, the project team has engaged with boroughs regarding the programme design and potential participation through a roundtable discussion hosted at London Councils on 1 September. London Councils representatives have also attended meetings with the housing sub-regions in west, north and east London to discuss the programme in more detail and receive feedback. Meetings have also taken place with developers and architects of modular housing to inform the potential specifications available. Further discussions with boroughs and other stakeholders regarding possible sites will also be taken forward over the next few months, ahead of a possible agreement of terms with the GLA by the end of the calendar year. Full contract would begin in April 2018.

The Capital Ambition Board, governance route for projects delivered by London Ventures, will review the strategic business case for the project in October and decide on the progression of the project including governance arrangements and allocation of seed funding

Appendix 1 – Housing Need Assessment

Comparison with current Local Plan figures (indicative only – and a 40% cap on increases is likely to be applied)

Local Authority	Indicative assessment of housing need based on proposed formula, 2016 to 2026 (dwellings per annum)	Current local assessment of housing need, based on most recent publicly available document (dwellings per annum)	Percentage Increase
Barking & Dagenham	2,089	1,264	65.27%
Barnet	4,126	Local assessment of need not available	#VALUE!
Bexley	1,723	963	78.92%
Brent	2,855	1,826	56.35%
Bromley	2,564	1,488	72.31%
Camden	1,568	1,117	40.38%
City of London	120	125	-4.00%
Croydon	1,414	2,440	-42.05%
Ealing	2,432	Local assessment of need not available	#VALUE!
Enfield	3,330	2,400	38.75%
Greenwich	3,317	350	847.71%
Hackney	3,251	1,758	84.93%
Hammersmith & Fulham	980	844	16.11%
Haringey	1,148	1,357	-15.40%
Harrow	1,959	Local assessment of need not available	#VALUE!
Havering	1,821	1,366	33.31%
Hillingdon	595	3,081	-80.69%
Hounslow	1,151	1,556	-26.03%
Islington	2,583	1,150	124.61%
Kensington & Chelsea	824	575	43.30%
Kingston Upon Thames	1,527	717	112.97%
Lambeth	1,673	Local assessment of need not available	#VALUE!
Lewisham	3,181	1,670	90.48%
Merton	1,585	279	468.10%
Newham	3,840	2,355	63.06%
Redbridge	2,981	2,286	30.40%
Richmond Upon Thames	1,709	1,047	63.23%
Southwark	3,089	1,824	69.35%
Sutton	1,774	1,100	61.27%
Tower Hamlets	4,873	2,428	100.70%
Waltham Forest	2,416	2,017	19.78%
Wandsworth	2,414	1,238	94.99%
Westminster	1,495	740	102.03%
Total London	72,407	41,361	75.06%



**Department for
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Sir Steve Bullock
London Councils
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SE1 0AL

Marcus Jones MP
Minister for Local Government

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Our Ref:3434638

08th July 2017

Dear Steve,

Thank you for your letter of 17th July to Alok Sharma MP and myself about Homelessness Reduction Act. I am replying as this matter falls within my ministerial responsibilities.

The Government is committed to preventing and tackling homelessness, and no one should have to spend a night on the streets. The Homelessness Reduction Act will mean people across the country get the help they need to avoid becoming homeless in the first place, and those already experiencing homelessness are able to access help regardless of whether they have a priority need. I know that we all share a firm commitment to tackling and reducing homelessness through a focus on earlier intervention and prevention as shown by the work undertaken by some local authorities in London.

The review of the Code of Guidance is an important piece of work for the effective commencement and implementation of the Act. As you are aware we plan to publish a draft for consultation in the autumn. As the detail of the Act has been known for some time I would expect local authorities to be well underway with their preparations to deliver the new duties, and the draft code will further support implementation planning.

We consulted with local authorities when calculating the costs of the Act and are now doing so to develop the distribution formula that will determine allocations. We will inform local authorities of their allocations as soon as possible in order to support their implementation planning.

You raise LAs concerns about the way reviews will work under the HRA. We will be consulting further with the sector on review procedure regulations for the new duties and are keen to engage London Councils and boroughs in this process.

We are working across Government to deliver our commitments on homelessness. This Government is absolutely committed to protecting the most vulnerable people affected by Housing Benefit reform, including the single homeless. In addition to the enhanced

package of Discretionary Housing Payment funding, there are exemptions for the vulnerable from the reforms affecting young single people. The Government spends around £24 billion a year on Housing Benefit, so the safety net remains in place.

The timely commencement and funding of the Homelessness Reduction Act will ensure that local authorities intervene at an earlier stage to prevent homelessness and provide homelessness prevention and relief services to a wider range of applicants. It is our intention to commence the Act in April 2018, and I will shortly be writing to all local authorities to notify them of this date.

We will review the implementation of the legislation, including its resourcing and how it is working in practice, concluding no later than two years after the commencement of its substantive clauses. We will also carry out, in the same timeframe, a post-implementation review of the new burdens to review the robustness of our assessment of the estimated cost to local authorities and the underlying assumptions.

I very much hope that London authorities will use the coming months to ensure that they are ready to meet the new duties, and deliver on our shared ambition to improve outcomes for people experiencing or at risk of homelessness across the city.

A handwritten signature in blue ink, appearing to read 'Marcus Jones', with a stylized, flowing script.

MARCUS JONES MP

Alok Sharma MP and Marcus
Jones MP
Minister of State for Housing and
Planning,
Parliamentary Under Secretary of
State (Minister for Local
Government)
DCLG
2 Marsham Street
London SW1P 4DF

Contact: Eloise Shepherd
Direct line: 020 7934 9813
Email: Eloise.shepherd@londoncouncils.gov.uk
Date: 17th July 2017

Dear Ministers,

Re: The implementation of the Homelessness Reduction Act

The Homelessness Reduction Act received royal assent earlier this year and authorities have been working with CLG and the third sector on the Code of Guidance and the Cost Distribution. I would like to note how inclusive and helpful the department has been in involving local authorities and we look forward to maintaining this, as we are all striving to reduce homelessness, which, as you know, has been rising in recent years for both families and single people.

London local authorities welcome the move towards prevention and earlier intervention; many boroughs already take this approach and have greatly increased their prevention rates - one example being the Gateway approach in Croydon.

However, the legislation does represent a substantive change to the current legislative system and London Councils believe the new burdens funding is simply not sufficient to meet the needs of authorities, and additionally the suggested April 2018 implementation date is simply not workable.

The Code of Guidance will not be confirmed and published until February at the earliest (due to the statutory consultation period) and there is not enough time between February and April for authorities to gear up and implement what represents a fundamental change in approach. There is preparation work ongoing now, however without the Code we cannot finalise recruitment and IT systems needed to operationalise the legislation. This is particularly the case for the complex system of reviews on the new duties.

Additionally, due largely to the election, we do not yet know how much each authority will get to implement the Act and therefore it is impossible for us to plan. However, we have been seeing more detail on the calculations used to calculate the overall new burdens figure of £61m nationally over two years. DCLG are themselves aware of the quality issues with the data used to calculate these costs, but we were particularly concerned, as one example, to see that across all English LAs only £1m has been allocated for the administrative burden of new review duties. Purely on the administration and direct legal costs of a review, an example of a unit cost in one representative borough is £748, and that borough alone currently spends £239,588 on review administration. All of the current priority need cases will have two more opportunities to review

decision making, and the new non priority cases will have the opportunity at the prevention and relief stages to review. A national total amount of £1m over one year simply does not add up.

We also remain concerned about the impacts of different areas of government policies. This Act gives local authorities responsibility to help to secure accommodation (at both prevention and relief stages) for non priority groups, which includes the single homeless group. However, the housing benefit available for this group (especially those under 35) is insufficient to secure accommodation. Even across all households, very little accommodation in London (and increasingly in adjacent areas) is available to households to whom the LHA applies limiting the opportunities for both helping to secure and securing accommodation and increasing the cost of any prevention and relief activity. We do not believe the new burdens calculation in any way addresses the pressures local authorities will be under as a result of this Act.

We are all agreed this legislation is an important opportunity to transform service provision in homelessness. Action is badly needed. However it is necessary for this to be, as promised, fully funded, and for authorities to have the necessary time to begin their work. A later implementation date, even by just six months, would allow us to get this right and set up the necessary joint working arrangements, IT, and recruitment to implement the legislation. It could also allow CLG to consider again some of the assumptions underpinning the new burdens costing over the next few months.

Yours sincerely,

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Mayor Sir Steve Bullock
Executive member for Housing, London Councils

Marcus Jones MP
Minister for Local Government
Department for Communities and Local
Government
Fry Building
2 Marsham Street
London
SW1P 4DF

7 September 2017

Dear Marcus,

Thank you for your letter of 8 August regarding the Homelessness Reduction Act.

Your acknowledgement of our shared commitment to address homelessness is welcome. Nobody wants to end the homelessness crisis more than local authorities. London boroughs have been at the forefront of addressing homelessness for many years – 70 per cent of homeless households live in the capital.

London boroughs fully support the Homelessness Reduction Act's potentially transformative approach to tackling homelessness, which rightly focuses on prevention and early intervention as well as working with a broader range of residents in a more collaborative way. We are happy to honour the intentions of the Act by providing expanded services that address the full range of factors in people's lives that can lead to them becoming homeless.

However, we have urgent concerns about the way the Homelessness Reduction Act is being implemented. I am sure that you agree that it would be an outrage if the Act's landmark reforms, which rightly received cross-party support, failed to reduce homelessness due to a lack of proper planning and unrealistic funding arrangements from Government.

With just seven months before the Homelessness Reduction Act comes into force on 1 April 2018, local authorities are still waiting for much delayed information from Government that is vital for preparing to deliver the expanded homelessness prevention offer required by the Act. This includes crucial information around both the funding allocations and the code of guidance essential to implementing the Act itself. London boroughs are doing as much as they can, but without the Government's code of guidance and detailed funding allocations they cannot act with certainty to recruit additional staff or enhance their services in other ways. It may already be too late to make any necessary changes in time for 1 April 2018.

Worryingly, conversations with Government officials suggest that London boroughs will not receive more than a fraction of the funding required to run broader homelessness prevention and relief services as described in the Homelessness Reduction Act. From 1 April 2018, boroughs will need to provide higher levels of support to a broader number of people at risk of homelessness as well as earlier interventions to the 54,000 homelessness households currently being accommodated, with every stage subject to review.

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