Homelessness Prevention Grant Consultation

National Housing Federation response

August 2022

Introduction

The National Housing Federation (NHF) is the voice of England's housing associations. Housing associations are not-for-profit social landlords. Our members provide more than two-and-a-half million homes and support for around six million people who typically have greater social or health needs than the general population, including three quarters of all supported housing.

Housing associations play a key role in preventing homelessness, whether they are specialist organisations or general needs providers. Housing associations deliver housing types unlikely to be found in the private rented sector, for very vulnerable people needing high levels of support and for people in crisis and needing emergency, short-term accommodation or support. Housing associations run vital services like homeless hostels, domestic violence refuges, retirement and extra care housing, homes for people with learning or physical disabilities and people with autism and mental health step-down units.

Our sector is a driving force in supplying the new housing our country needs. In 2020, our members delivered more than 20% of all new homes built in England. Housing associations are important providers of care homes –120 NHF members manage nearly 15,000 care home places.

This submission answers the Homelessness Prevention Grant consultation questions from the perspective of housing associations.

Q1. Do you agree with our proposal to combine the HRG and HRA uplift elements of the formula, using HRA uplift formula for £110m of the grant? (Yes – No – Indifferent - Not sure)

No.

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The proposed formula would not be informed by comprehensive statistics on homelessness if it does not include main duty acceptances and net homelessness expenditure. Multiple deprivation should also be taken into account, because poverty is a factor in homelessness. Using Universal Credit with the housing element or Housing Benefit claimant numbers as a measure would not be an accurate representation of need, as some people who would be entitled to it will not apply or will apply late (because of not knowing they are entitled, barriers to applying such as not having a smartphone, not wishing to apply). Universal Credit or Housing Benefit applications may also be refused if filled in incorrectly, so this again is not an accurate representation of who really needs Universal Credit or Housing Benefit.

Family homelessness should be taken into account in the formula. Family homelessness will not be represented if only the share of total single adult households owed a prevention or relief duty is used. Neither will family homelessness be accurately calculated by the cost of a two-bedroom rental property. Rental prices for three, four and fifth bedroom properties should also be taken into account. This should not just look at the lower quartile of rents – even these may be inaccessible to some households, and they may be forced to look for more expensive accommodation.

Numbers of benefit-capped families will also be an indicator of barriers to private renting and therefore potential for homelessness numbers among families.

Q2. Do you agree with our proposal to apply an overall Area Cost Adjustment in the £110m element of the formula? (Yes – No – Indifferent - Not sure)

Yes, as long as the way the high cost is calculated is made clear. The formula should include house prices (all sizes and areas), rental prices (all sizes and areas), commodity prices, average local income and average wages.

Q3. Of the options presented to replace the Temporary Accommodation Management Fund in the formula, which is your first preference? (Option 1 - Option 2 - Not sure – Indifferent - Neither) Please explain why. (300 word limit)

Option 1.

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Page 2

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Option 2 should not be used, as total population is not an indicator of number of households in temporary accommodation. For example, Walsall had 141 households in temporary accommodation in quarter three 2021/22 for 286,700 inhabitants.[1] In contrast, Bristol had seven and a half times that, at 1,052 households in temporary accommodation in quarter three 2021/22 for 467,099 inhabitants.[2] The factors driving temporary accommodation figures in an area should be looked at.

See also 5.3 of this consultation: "Performance on homelessness prevention varies significantly across local authorities, even when comparing economically and demographically similar areas."

Q4. Are there other indicators of temporary accommodation pressures you recommend we consider? (300 word limit) Please explain why. (300 word limit)

Yes. We recommend looking at:

- Local house prices (will affect cost of rent and potentially other costs in an area).
- Local rent prices (private and social) (will affect how easy it is for (low-income) households to access housing).
- Local commodity prices (will affect disposable income).
- Average local incomes (poverty is a driver of homelessness).
- Available family housing at LHA rate in PRS (lack of this explains disproportionate presence of families in temporary accommodation and difficulty of moving out of temporary accommodation).
- Available family housing in social housing stock (lack of this explains difficulty of moving out of temporary accommodation).
- Number of people with unmet support needs (affects likelihood of people becoming homelessness).

[1] ONS 2020 Mid-Year Estimates https://lginform.local.gov.uk/reports/lgastandard?mod-metric=12891&mod-area=E08000030&mod-group=AllMetropolitanBoroughLaInCountry_England&mod-type=namedComparisonGroup
[2] https://lginform.local.gov.uk/reports/lgastandard?mod-metric=12891&mod-area=E06000023&mod-group=AllUnitaryLaInCountry_England&mod-type=namedComparisonGroup; https://www.bristol.gov.uk/newsroom/help-us-improve-the-way-we-let-our-homes

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- Availability of supported housing to meet local need (less supported housing for those who need it mean people with support needs are at risk of homelessness).
- Funding levels for supported housing commissioning (will determine availability of supported housing to meet local need).

Q5. Of our proposed options in relation to missing data, which is your first preference? (Option 1 – Option 2 – Not sure – Indifferent - Neither) Please explain why. (300 word limit)

Option 1, as it has the potential to provide more data.

Q6. Do the listed data sources used in the Flexible Homelessness Support Grant element represent an accurate reflection of homelessness pressures? (Yes - No - Partially - Not sure) Please explain why. (300 word limit)

No.

It is true that people cannot access the private rented sector because it is unaffordable, but they may never be considered for private rent and receive a social housing offer because it would be the most appropriate offer for them – see the People in Housing need survey.[3] This does not mean they were not homeless.

People may also need a supported housing offer rather than a private rented sector offer, because they have support needs. This does not mean they are not homeless. H-CLIC data exists on increasing support needs among homeless applicants.[4] See also the independent evaluation of the Homelessness Reduction Act, which listed "meeting the needs of service users with more or different support needs" as a significant challenge for local authorities.[5]

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[3] https://www.housing.org.uk/resources/people-in-housing-need-2021/

[4] Table A3 – Number of households owed a homelessness duty by support needs of household, England, 2018 Q2 to 2021 Q4 https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness

[5] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/919748/Evaluation_of_the_Implementation_of_the_Homelessness_Reduction_Act_Final_Report.pdf, p.39.

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Likelihood of tenancy sustainment also needs to be considered (pressures such as the removal of Discretionary Housing Payments (DHPs) will make this more challenging).

What would be the level of grant awarded if there were 0 households offered a private rented tenancy? How would that be calculated? What if the reason there were none available is because there are no tenancies for rent at a given time, especially in small geographical areas?

Q7. Do you have any alternative suggestions for data sources that could be used as indicators of homelessness pressures in the formula? (500 word limit)

Yes.

- Local house prices.
- Local rent prices.
- Local commodity prices.
- Average local incomes.
- Available family housing at LHA rate in PRS.
- Available family housing in social sector.
- Number of families in temporary accommodation.
- Number of singles in temporary accommodation.
- Number of people in supported housing.
- Support needs of homeless applicants.
- Availability of supported housing.
- Funding levels for supported housing.
- Welfare benefits levels.
- Number of benefit-capped households.

Q8. Do you want to see transitional arrangements introduced for 2023/24 financial year? (Yes – No – Indifferent - Not sure)

Yes.

Q9. Do you want to see transitional arrangements introduced for 2024/25 financial year? (Yes – No – Indifferent - Not sure)

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Page 5

Yes.

Q10. What percentage cap would you prefer to see? (5% in 2023/24 and 10% in 2024/25 as proposed – 2% each year - 5% each year - 10% each year – 20% each year – None - Indifferent - Other - Not sure)

Not sure.

Q11. Please explain the reasons for your answers to the questions in this chapter, and provide any other thoughts or comments on this proposal. (500 word limit)

We feel a transition is needed so local authorities can plan and get used to the different levels.

As we do not represent local authorities, the NHF does not have the data to agree what percentages are needed.

Q12. Do you agree that funding allocations for 2023/24 and 2024/25 should be announced this year, providing the earliest funding certainty possible? (Yes – No – Indifferent - Not sure) Please explain why. (300 word limit)

Yes.

The ability of local authorities to plan services more strategically and commission supported and specialist housing services, and those housing services' ability to recruit and retain staff is greatly improved by long-term funding certainty.

Q13. To what extent do you feel confident that local authorities would be able to provide a yearly spend declaration of HPG categorised under 'prevention and relief', 'TA' and 'main duty/other'? (Very confident – Quite confident – Neutral – Slightly doubtful - Very Doubtful – Not sure)

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Don't know.

Q14. Please use this space to provide reasons for your answer and any further thoughts or comments on this proposal. For example, whether you think the above definition of 'prevention and relief' spend (as set out in para 5.5) is workable, if there are other spend categories which could constitute 'prevention and relief' that we have not listed above, whether you have views on the local authority's ability to provide this information, or any additional impact this extra reporting requirement may have? (500 word limit)

'Other spend' could be meetings/panels with housing associations.

Q15. Would it be possible for local authorities to provide a more granular breakdown of spend than those proposed – for example, reporting the amount spent on staffing/incentive payments for a new tenancy/clearing rent arrears? (Yes – No – Maybe – Not sure) Please explain why. (300 word limit)

We do not have this data as we do not represent local authorities.

Q16. What is your view on our proposal to introduce tranche payments for the Homelessness Prevention Grant in order to incentivise better H-CLIC data reporting? (Strongly Agree – Agree – Neutral – Disagree – Strongly Disagree – Not sure)

I disagree. Under-resourced local authorities will struggle to produce accurate H-CLIC reporting, and reducing their resources even more will exacerbate this.

Q17. If we were to introduce tranche payments, what percentage of the funding would you recommend be released in tranche 2 (later in the financial year)? (50% - 25% - 10% - 5% - None – Other – Indifferent - Not sure)

Indifferent. We do not agree with tranche payments.

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Q18. What is your view on the proposed conditions – publishable H-CLIC returns with full TA data - in order to receive tranche 2 of the grant? (Strongly Agree – Agree – Neutral – Disagree – Strongly Disagree – Not sure)

Not sure.

Q19. Please explain the reasons for your answers to the questions in this chapter, and provide any other thoughts or comments on this proposal. (500 word limit)

We do not have this data as we do not represent local authorities.

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Page 8

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