



Government Response
to the ODPM Select Committee's
Report: Homelessness Inquiry



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Presented to Parliament by the
Deputy Prime Minister and the First Secretary of State
by Command of Her Majesty
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The House of Commons ODPM Select Committee published its report on homelessness on 27 January 2005. We welcome the Committee's interest in this important area of work and are grateful for its helpful and thorough report, which has been considered carefully. The Government's response to each of the Select Committee's recommendations is set out in detail below.

Readers may wish to be aware that responses to some recommendations have been grouped. In the following cases, a single response has been given: 3 and 29, 5 and 6, 7 and 8, 10 and 11, 13 and 14, 30 and 34, and 37 and 38.

Recommendations and Conclusions

Introduction

1. The United Nations International Covenant on Economic, Social and Cultural Rights establishes the right of every person to have 'an adequate standard of living, including adequate food, clothing and housing'. It is our view that there should not be homeless people in the UK in 2004. A home is a fundamental right which should not be denied to anyone living in as affluent and ambitious a society as our own. (Paragraph 1)

The Government agrees that homelessness should have no place in sustainable communities. All agencies working with homeless people should aspire to eradicate it. But while we believe that all cases of homelessness are preventable, the causes and personal factors associated with it are complex. That is why our strategy must combine an aim to offer everyone the opportunity of a decent home, at a price they can afford, while providing a strong safety net for families and vulnerable people who find themselves homeless through no fault of their own.

We have achieved very significant reductions in the most damaging homelessness problems of rough sleeping and use of B&B hotels as long-term accommodation for families with children. Wider levels of homelessness have been reducing since 2003.

Our strategy for the next five years has been published alongside this response. 'Sustainable Communities: settled homes; changing lives' will build on these successes to deliver sustainable reductions in homelessness and will halve the number of households in insecure temporary accommodation.

Who are the homeless?

2. We recommend that the Government continue to acknowledge that homelessness is more than 'rooflessness'. (Paragraph 17)

The Government welcomes the Select Committee's support for our approach to tackling homelessness, set out in 2002 in 'More than a roof'. We continue to promote this approach and have done so most recently in the ODPM's five year plan, 'Sustainable Communities: Homes for All' and in our new homelessness strategy, 'Sustainable Communities: settled homes; changing lives', published alongside this response. Our approach combines improvements in the supply of housing with:

- policies that tackle the wide range of social exclusion factors that can cause and contribute to homelessness, or be exacerbated by homelessness;
- support for local strategies and services that prevent homelessness and minimise the negative impact of homelessness on those who do experience it;

- delivering housing related support to vulnerable people to help prevent homelessness and increase people's ability to live independently in their own homes; and
- policies to improve the ways in which existing housing stock – in the private and social sectors – meets people's housing needs.

3. We believe the Government should now set a target to end the use of bed and breakfast for any homeless household except as a short-term emergency response. (Paragraph 25)

29. We commend local authorities like South Ribble that are providing floating support services for those single homeless people housed in B&Bs. This is good practice. We recommend that the ODPM should amend the restriction on the use of B&B except in emergencies to include 16 and 17 year olds. (Paragraph 138)

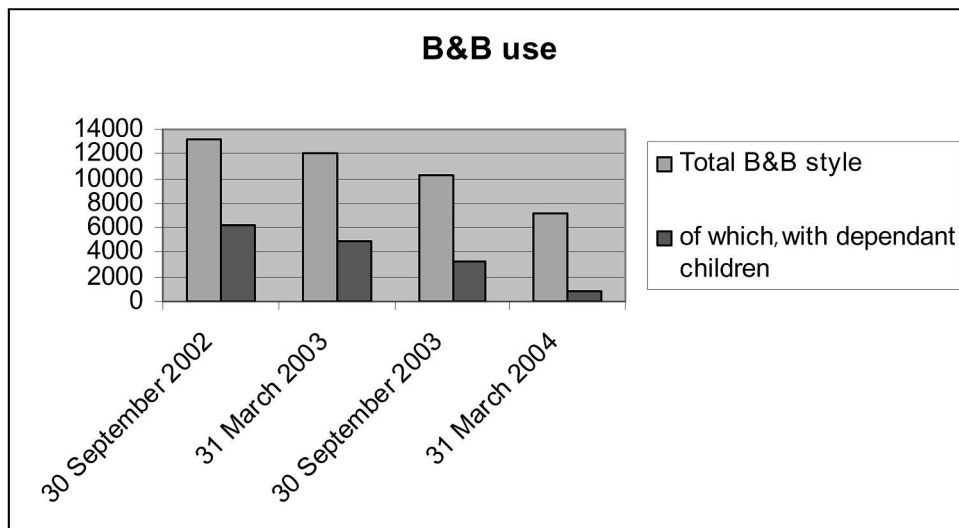
The Government continues to believe that bed and breakfast hotels represent the least suitable form of accommodation for most households and should be used only as a last resort. We have made this clear in statutory guidance (Homelessness Code of Guidance for Local Authorities). The Government will be issuing a revised Code of Guidance later this year and, in the light of the Select Committee's recommendations, we will consider strengthening the guidance on this point. We consider that, particularly when accommodating 16 and 17 year olds, the local authority should focus not only on the type of accommodation that is suitable for the applicant but also on ensuring that appropriate support is available.

We have considered whether a new target should be introduced to minimise the use of bed and breakfast hotels to discharge a homelessness duty owed to single homeless applicants. We have concluded that a national target is not necessary at present. What is necessary is ensuring that we have a full understanding of the causes of homelessness among this group and the impact that living in temporary accommodation can have on them. We have therefore commissioned a nationally representative study that will include a survey of 500 homeless 16 and 17 year olds and look at the impact of different forms of temporary accommodation and support. This will offer us a more robust evidence base upon which to base future policy.

Moreover, since 2002 the overall use of bed and breakfast hotels by local authorities has fallen, including for non-family households, as a result of the measures authorities have put in place to meet the B&B target. Improvements in homelessness prevention and the quality and supply of settled homes will benefit all households at risk of homelessness. A table showing reductions in B&B use is below:

	<i>Total B&B</i>	<i>Of which, include dependent children or a pregnancy</i>
30 September 2002	13,248	6,210
31 March 2003	12,064	4,804
30 September 2003	10,279	3,185
31 March 2004	7,162	830

Source: ODPM PIE statistics



Local authorities are free to set their own additional targets or restrictions in relation to the use of B&B hotels and may use homelessness grants from ODPM to support reductions in the inappropriate use of temporary accommodation. Advice on this can be found in 'Achieving Positive Outcomes on Homelessness' (ODPM, 2003).

4. The Government must commission research to look at why the rates of homelessness are disproportionately high among the black and minority ethnic population. (Paragraph 37)

The Government shares the Select Committee's concern about levels of homelessness amongst BME communities and is working to identify the causes and effective solutions. As referred to in our written evidence to the Committee, we have commissioned a research project to investigate the reasons why these groups might be more vulnerable to homelessness. A development guide, based on the results of this research, will be published later in 2005 which will promote good practice and assist local authorities and other agencies in developing innovative services for BME groups.

5. We welcome the extension of the priority need categories and the protection that this has offered to those previously outside the statutory homelessness provisions. (Paragraph 44)

6. We support the concept of prioritisation in the acceptance of homelessness. Nevertheless we recommend that the Government review the priority needs list with a view to ensuring that all vulnerable groups are included. We would in particular like to see the list include all elderly people, whether or not they are vulnerable. (Paragraph 48)

Our approach towards tackling homelessness goes much wider than simply concentrating on the priority need groups. We encourage local authorities and voluntary agencies to take early action to prevent homelessness amongst all groups of people. This was reinforced by the requirement in the Homelessness Act 2002 that every local housing authority in England must have a strategy for preventing homelessness and ensuring that accommodation and support are available for anyone who is homeless, or at risk of homelessness, in their area. Meanwhile, we believe that the current legislation, which was revised in 2002, is sufficiently comprehensive to ensure that there is a safety net for those who are most in need.

In its review of the homelessness legislation, the Government considered the needs of elderly people. However, based on available evidence, we do not consider that there is a particular age at which older people who are homeless would necessarily be vulnerable because of their age alone. The Government considers that all applications from people aged over 60 should be considered carefully, and this is reflected in the Homelessness Code of Guidance for Local Authorities.

7. We recommend that Government use clear and authoritative guidance on the assessment of statutory vulnerability as a matter of urgency, and certainly within three months of the publication of its response to this Report. (Paragraph 53)

8. Guidance should be stronger and more authoritative on the range of mental health and learning disability issues which might lead to vulnerability. The guidance should stress co-operative working between housing, social services and the mental health agencies to ensure that people are fairly assessed. The guidance should also identify good practice such as the use of trained mental health practitioners as part of local authority assessment teams to ensure that vulnerability due to mental health problems can be properly recognised and dealt with. (Paragraph 55)

The Government agrees that guidance should be available for local authorities to assist them in discharging their homelessness functions and applying the various statutory criteria when considering applications. Following the implementation of the Homelessness Act 2002 and the Homelessness (Priority Need for Accommodation) (England) Order 2002 a revised, statutory Homelessness Code of Guidance for local authorities was published. This included guidance on priority need and vulnerability. Para 8.13 says,

‘The critical test of vulnerability for applicants in all these categories is whether, when homeless, the applicant would be less able to fend for himself than an ordinary homeless person so that he would be likely to suffer injury or detriment, in circumstances where a less vulnerable person would be able to cope without harmful effects.’

The Code includes some specific guidance on vulnerability due to mental illness, learning or physical disability. The Government will be issuing a revised Code of Guidance later this year and will consider the Committee’s recommendations when making revisions.

9. We recommend that the Government commission and publish a cost-benefit analysis of the removal of any vulnerability criteria in the assessment of homelessness applications to English local authorities. (Paragraph 56)

The Government does not consider that a cost benefit analysis of the removal of vulnerability criteria is necessary or desirable because it would not be appropriate for local housing authorities to have a statutory obligation to secure accommodation for everyone at risk of homelessness. The Government considers that the homelessness legislation already provides an adequate safety net for those who are most vulnerable and homeless through no fault of their own. Our strategy is to ensure that anybody at risk of homelessness, not just those in priority need, can expect to receive assistance from a local authority. In addition to the need to have a homelessness strategy, authorities’ duties towards homeless applicants who do not have priority need were strengthened by

the Homelessness Act 2002, which also provided authorities with a new power to secure accommodation for this group. These strengthened responsibilities, alongside the increased focus on – and resources for – prevention initiatives, will help ensure that more households in housing need are offered appropriate assistance.

10. We recommend that the Government should produce improved guidance on the implementation of the Homelessness Act 2002 regarding the definition of intentional homelessness as soon as possible, and certainly within three months of the publication of its response to this Report. (Paragraph 60)

11. Guidance on the interpretation of intentional homelessness should include an explicit explanation of its application to ex-offenders. (Paragraph 63)

Broadly speaking, the Homelessness Act 2002 did not amend the provisions on intentional homelessness. Statutory guidance issued to local housing authorities following the implementation of the 2002 Act already includes guidance on ‘intentionality’ and the circumstances when applicants may and may not be found to be ‘intentionally homeless’ (chapter 7 of the Code of Guidance). The guidance is clear in its message that each case must be decided on its merits. A local authority must be able to satisfy itself whether an applicant meets certain criteria and must not take a blanket approach towards any particular groups. The Government will be revising the Code in 2005 and will consider the Committee’s recommendation. We will also consider issuing good practice guidance to local authorities and agencies working with ex-offenders to encourage the development of protocols which meet the housing needs of ex-offenders and prevent homelessness.

12. The Government should produce explicit guidance for social services of the action that should be taken following referrals of intentionally homeless families with children, and draw attention to good practice. (Paragraph 68)

The Government agrees that families with children should not be split up purely as a consequence of homelessness. The current Homelessness Code of Guidance refers to the need for social services authorities to assess the needs of the child(ren) in the case of families with children who are found to be intentionally homeless and therefore not owed a housing duty by the local housing authority. The Government will be issuing a revised Homelessness Code of Guidance later this year and this aspect of the guidance will be reviewed. The guidance will be further reinforced by new statutory guidance on the Duty to Cooperate and guidance linked to the statutory requirement for Children’s Services authorities to develop Children and Young People’s Plans by 2008, to support the Children Act 2004. The Director of Children’s Services will be responsible for ensuring that local children’s services meet the needs of children and young people while the Integrated Inspection Framework will ensure that children’s services are meeting the required standards.

13. ODPM guidance should be much clearer about the Government’s expectations of local authorities in relation to non-priority homeless people and should aim to achieve much greater consistency of practice, and a significantly better quality of service. It is not acceptable for a section of the homeless population to go unassisted because their needs are not as great as others. (Paragraph 72)

14. The Government should ensure that the needs assessments local authorities undertake for non-priority need homeless people lead to advice, assistance and even support that are designed both to prevent them developing further problems and to help move them out of homelessness altogether. (Paragraph 73)

The Government has already strengthened the duties owed by local housing authorities towards unintentionally homeless applicants who do not have priority need. The homelessness legislation requires authorities to make an assessment of the applicant's housing needs and to provide appropriate advice and assistance, based on that assessment, to help the person secure accommodation for him or herself. The Homelessness Code of Guidance, issued in July 2002, includes detailed guidance on these strengthened duties.

In recognition of the importance of advice services in preventing homelessness the Government is introducing a new Best Value Performance Indicator from 1 April 2005 to measure the effectiveness of housing advice services in preventing homelessness. When data is available we shall be monitoring local authorities' performance on achieving this BVPI.

15. We recommend that ODPM should scrutinise the homelessness acceptance rates of local authorities with a view to intervening where they depart from the average by a considerable margin. Those authorities whose rates are out of line for no clear reason should be referred to the Audit Commission to account for the difference and if necessary, their procedures should be reviewed. Public money should not need to be spent on legal appeal costs. (Paragraph 77)

Under the homelessness legislation each applicant's circumstances must be considered on the facts of the case. To some degree, it is inevitable that there will be some variation in local authorities' assessment of applicants' circumstances. The Secretary of State does not have the power to intervene in individual cases – and ultimately only the courts can decide the merits of a case where an applicant disagrees with the local authority's assessment.

There is some evidence of the number of review of appeals against local authority's decisions. A study by Bristol University in 2002¹ showed that the number of reviews and appeals between 1998 and 2001 was very small when compared with the overall numbers of homelessness applications.

However the Government will continue to investigate where a local authority's acceptance rates are substantially higher or lower than the average for the region. We have found that in some cases, significant differences are a reflection of the different ways in which some local authorities report information, rather than representing significant differences in practice. We are keen to raise awareness of these differences and will be publishing a revised set of quarterly homelessness PIE statistics, which will show trends and help local authorities to benchmark data with other authorities.

The ODPM works closely with the Audit Commission's Housing Inspectorate, sharing information regularly about trends at a national and local authority level. The Audit Commission will consider data provided in homelessness statistics when carrying out an inspection of a local authority's homelessness service and investigate as appropriate.

Prevention

16. We welcome the Government's pump-priming funding to local authorities for prevention work. We recommend that the Government continues to support the efforts of local authorities and voluntary organisations in projects to prevent homelessness, and evaluates the need for future funding beyond the scope of initial pump-priming. (Paragraph 80)

¹ Dave Cowan and Simon Halliday, with Caroline Hunter, Paul Maginn and Lisa Naylor, *The Appeal of Internal Review*, Oxford: Hart Publishing, 2003

The Government welcomes the Select Committee's recognition of the usefulness of grants in pump-priming homelessness prevention schemes. 'Sustainable Communities: Homes for All' announced that funding available to support action to prevent homelessness will increase to £74 million by 2007/08 from the current level of £60 million. Local authorities have the freedom to spend homelessness grants according to local priorities. They may therefore use the money to sustain existing schemes as well as pump-prime new ones. However we encourage local authorities to adopt a 'spend-to-save' approach, to recognise that money spent up front may successfully prevent a case of homelessness and thereby save the authority significant expenditure in temporary accommodation, thus making more resources available in the long-term to spend on homelessness prevention.

17. We recommend that the operation of prevention schemes should be introduced as a local authority performance indicator. (Paragraph 82)

The Government welcomes the Committee's recommendation that a performance indicator should be introduced to measure the effectiveness of local authority prevention schemes. As noted above, the Government will introduce a Best Value Performance Indicator from 1 April 2005 to measure the effectiveness of housing advice services in preventing homelessness and will consider the introduction of an additional BVPI, at the first available opportunity.

In addition, we are currently undertaking an evaluation of homelessness prevention measures which will provide good practice guidance for local authorities on effective prevention measures. This will include guidance on monitoring the performance of their schemes.

18. We believe that all prisons should have a specialist housing advice centre, or, at the least, ready access to specialist housing advice, in order to reduce the number of prisoners who leave without settled accommodation and thereby reduce the rate of re-offending. (Paragraph 91)

The Government agrees with the Select Committee about the importance of housing advice services and the role they can play in ensuring that ex-offenders have a settled home on leaving prison. All local prisons now have dedicated housing advisers and the number of housing advice centres in Category C establishments has increased significantly.

The Prison Service introduced a shadow Key Performance Indicator in April 2004 to increase the number of prisoners released with an address to go to – which will be formalised from April 2005. This is already delivering results: in December 2004, 81% of prisoners for whom records were held had accommodation arranged for their release (up 14% compared with December 2001).

From April 2005 all local prisons will be required to carry out housing needs assessments for every new prisoner, including remands and those serving short sentences. This will identify those who require assistance closing down, sustaining, or transferring tenancies and Housing Benefits claims, and those who need help finding accommodation for release.

19. We recognise the efforts that the Ministry of Defence has already made to reduce homeless levels among veterans. We hope that the results of the survey into homelessness among ex-service personnel will be used to design further prevention schemes. (Paragraph 94)

The Ministry of Defence and the ODPM commissioned jointly Kings College, London to undertake research to assess the scale and nature of homelessness amongst ex-services personnel. The first stage in that work is a feasibility study which will be published later in 2005. The two Departments will continue to work together to take the project forward and to inform future ex-services homelessness research and action.

20. Prevention work should not be viewed in isolation. The ODPM should keep in mind that prevention work alone cannot solve many of the problems that lead to homelessness. We hope that the useful work being done on prevention schemes continues, but it should only be viewed as one element in an overall strategy to tackle homelessness. (Paragraph 97)

The Government agrees that homelessness prevention measures should be part of the package of options offered to people when they seek housing assistance from a local authority. We believe that in many cases, homelessness can be prevented if the root cause behind somebody losing their home can be identified.

Where homelessness cannot be prevented, the homelessness legislation provides a robust safety net providing protection for those who are most vulnerable and have become homeless through no fault of their own.

The Government's recent publication, 'Sustainable Communities: Homes for All', restates our commitment as part of our wider strategy to address homelessness and housing need through both the provision of new social housing and the more effective use of existing housing stock. Our future homelessness strategy 'Sustainable Communities: settled homes; changing lives' published alongside this response, sets out our detailed programme of work and commitment to using all effective tools available to tackle homelessness.

21. We welcome the Government's decision to pay Housing Benefit to sentenced prisoners for the duration of a tenancy surrender notice period of four weeks. We hope consideration can be given to covering tenancy notice periods of up to six weeks in future reforms. (Paragraph 102)

The Government recognises the important role Housing Benefit (HB) can play in preventing homelessness. As part of a package of improvements to the HB system we have recently amended regulations to allow prisoners to receive HB for the period of notice on their former home for up to 4 weeks, if the total absence is likely to exceed 13 weeks (i.e. those sentenced over 26 weeks). This prevents prisoners from building up rent arrears whilst in prison which may then impede their ability to obtain accommodation on release. We have no plans at present to extend these arrangements to cover notice periods of up to 6 weeks.

In addition, prisoners who serve less than 13 weeks, say for a minor offence, do not lose their entitlement to Housing Benefit if they notify their change of circumstances. These rules strike a balance between public concern about convicted prisoners being treated too favourably and the need to focus limited resources where they are of most benefit.

22. We await the Government's announcement on potential reform of the 16 hours of study Housing Benefit rules with interest. We believe that this rule should be rescinded in order to help and not hinder those who wish to gain qualifications to move themselves out of homelessness. (Paragraph 104)

In the recent pre-budget report, the Chancellor announced a pilot scheme which will allow low-skills benefit claimants (in England) to take up free, full-time training towards a first level 2 qualification where this is judged the best way of helping them back into work. As part of the scheme, individuals will continue to receive the same level of benefits as well as an additional weekly £10 supplement to cover the costs of learning.

For those people in receipt of Jobseekers' Allowance who do not have a learning agreement in place, benefit rules will be strengthened to ensure that learning is genuinely part-time and does not interfere with jobsearch activity. In the light of this we are currently reviewing the operation of the part-time study rules for Jobseeker's Allowance and Housing Benefit recipients.

These changes, as part of the wider New Deal for Skills, will offer a more balanced package, allowing more effective support for those who most need to gain skills to boost their prospects of sustainable employment and particularly for those who up until now were debarred from training beyond 16 hours.

23. We welcome the Government's consultation on the Housing Benefit system. We hope that eventual proposals will result in the faster processing of claims, and the removal of barriers into work for those in temporary accommodation. (Paragraph 105)

The Government recognises the importance of an efficient Housing Benefit (HB) regime in preventing homelessness and the importance of ensuring that households in temporary accommodation are not prevented from working because of high rent levels.

We recognise that there is still considerable room for improvement of the administration of HB in many local authorities and we have put in place a range of measures to improve performance. The Department for Work and Pensions (DWP) is committed to working with local authorities who take the longest to process HB claims and are actively working with them to improve administration, through a free consultancy service from HB experts and a £200m Performance standards fund. DWP has a Public Service Agreement to bring the average processing time of the bottom 15% of authorities from 99 days in 2002/3 to 55 days by 2008, and to reduce the overall average to 48 days by 2008. Progress on improving claims processing times is encouraging with the national average reducing from 55 days on 2002/03 to 50 days in 2003/04. The average across the bottom 60 local authorities came down from 99 days to 88 days in the same period.

The Government also recognises the risk of households becoming dependent on benefits if they are paying a high rent whilst in temporary accommodation, leading them to believe they will be worse off if they enter employment. The Government has recently announced a transfer of £2.28 million from DWP to the ODPM to support a two year pilot to test the use of a central government 'block grant', to help subsidise the cost of procuring temporary accommodation, promote affordable rents and the employability of households that have experienced homelessness. We shall be monitoring the results of the pilot very closely.

Resolving unemployment in households with dependent children also has particularly significant social gains (improvements in health, education and child poverty), through tackling social exclusion and its impact on the whole household.

Housing Supply

24. The stock of affordable housing has declined considerably as a result of right to buy and the cessation of local authority house-building. As a result the number of lettings to homeless families has fallen by a third. A major building programme of low-cost permanent housing to rent is required for homeless people. The serious shortage of permanent housing for homeless people is causing long stays in temporary accommodation. It is unacceptable that homeless people should spend very long periods, sometimes several years, in hostels and other forms of temporary accommodation waiting for a settled home. We believe that the experience of living in temporary accommodation is likely to be damaging to families and vulnerable single people and is likely to lead to significant additional costs in other social programmes. Providing permanent secure homes is a classic case of investing to save. (Paragraph 121)

The Government shares the Select Committee's concerns about the number of households living in temporary accommodation. The plans set out in 'Sustainable Communities: Homes for All' combine a commitment to increase investment in homelessness prevention measures as well as to increase the supply of affordable and social housing. We are increasing the annual supply of new social housing by 50% by 2007/08. Over the next three years we will be providing 75,000 new homes for rent. Our investment is key to this being achieved with £2 billion being provided in 2007/08 to the Housing Corporation – double the investment in 1997. In addition, the 2004 Spending Review provided an extra £500m for the housing Private Finance Initiative. Driving forward efficiency savings worth a further £160m a year by 2007/08 will help to achieve our targets.

Meanwhile we are working to ensure that temporary accommodation used by local authorities to discharge their homelessness functions is of a good standard. We have already ended the long term use of B&B hotels for families with children whilst the overall use of shared accommodation has also fallen. At the end of December 2004, 84% of households (91% of families with children) in temporary accommodation were in self-contained properties with private cooking and bathing facilities. Those in B&B hotels, hostels or women's refuges accounted for just 16% of households in temporary accommodation.

25. The Government has increased public investment in subsidised permanent housing but this is still not adequate to meet the needs of the increasing numbers of homeless people. The proportion of funds allocated for key worker housing is excessive. We accept that key workers may require a housing subsidy in some high cost areas, but we recommend that the Government reviews the effectiveness of its key worker housing scheme to ensure that it is achieving its objectives. There are major problems with defining a key worker and a danger that subsidising home purchases could add to spiralling house prices by increasing purchasing power without increasing housing supply. Funding for key worker housing should only be used for new-build shared ownership housing and the purchaser should not be able to buy 100% of the home unless covenants guarantee the price of the home remains discounted. Local authorities should identify the groups of key workers eligible for a housing subsidy in consultation with local employers and housing associations. Reflecting the deepening homelessness problem, we recommend that not more than 15% of the Housing Corporation's funds should be spent on key worker housing. (Paragraph 122)

The Government is keen to meet the needs both of those in priority housing need who require rented accommodation, and of those, especially key workers, who are unable to achieve their aspirations to home-ownership without assistance. Providing housing support to our key workers plays a vital role in the development and maintenance of sustainable communities. The Key Worker Living (KWL) programme was introduced in 2004, replacing the previous Starter Home Initiative, and is a recruitment and retention tool which will invest £690 million in areas of high demand over the next two years. This accounts for around 18% of the Housing Corporation's capital investment.

Approximately 50% of the KWL programme is funding new build units for key workers on a shared ownership or intermediate rented basis and thus will add to the overall supply of housing.

Although the Government has prescribed who key workers are for the purposes of KWL, local authorities may make their own decision about the definition for other purposes based on their knowledge of local labour and housing markets.

26. The Government is concentrating new house-building in the Growth Areas. However these areas are not necessarily where housing needs are greatest. The Government's housing investment programme should seek to meet the needs of more homeless people where they are currently located so that their support networks can be sustained. (Paragraph 123)

The Government agrees that people should have access to affordable, settled housing in the area in which they live. Our aim is to deliver around 900,000 homes between 2002 and 2016, in existing settlements, to address local demand for housing. The four sustainable growth areas will provide around 200,000 of this total.

The Government is currently consulting on how Regional Housing Pot funding for 2006/07 and 2007/08 will be split between regions. Decisions need to reflect the different pattern of needs across regions as well as the Government's national housing priorities, including development of the growth areas, and targets. We will announce decisions on allocation of funding within regions next summer in the light of recommendations from Regional Housing Boards, due in May.

27. There is a homelessness problem in areas suffering from low housing demand in some parts of the North and the Midlands. We recommend that the Government encourage and facilitate innovations on the part of local authorities in reusing some of the empty private housing for homeless people. The Government needs to ensure that local authority empty homes strategies effectively consider the potential of leasing private housing. Where homes are being demolished as part of the Government's Low Demand Pathfinder initiative, the effect on house prices and availability of affordable homes must be carefully monitored and a programme of provision of low-cost housing to rent must be included. (Paragraph 124)

The Government recognises that the North East and Yorkshire & the Humber regions have witnessed the sharpest proportionate increases in homelessness in recent years, compared with the rest of England. The reasons for this are complex, but indicate the importance of ensuring that peoples' support needs are taken into account when considering their housing needs.

In the Low Demand Pathfinder programme issues of affordability are built into the development, monitoring and evaluation. Research indicates that there is not a uniform pattern of homelessness across Pathfinder areas, and that affordability is not the main

driver for increases in homelessness acceptances. Social exclusion is, however, a significant cause and the Pathfinders will help address this by tackling deprivation and working with other agencies to increase access to jobs.

In some areas, empty homes are being brought back into use and in all cases the Pathfinders will ensure that both refurbished and new build homes are made affordable for local people for both purchase and rent. The provisions in the Housing Act 2004 on Empty Dwelling Management Orders (EDMOs) will enable local authorities to assume management control of unoccupied dwellings where it can be demonstrated that owners have no intention of bringing them back into use. The legislation will operate alongside existing procedures for securing occupation of empty homes such as leasing arrangements operated by some local authorities and Registered Social Landlords. ODPM is working with the Empty Homes Agency to support this approach. The Government aims to commence the provisions in October 2005, following further consultation on the detail of their operation.

Further information can be found in the recent ODPM written evidence submission to the Select Committee inquiry into Empty Homes and Low-demand Pathfinders.

Temporary Accommodation

28. We welcome unreservedly the reduction in rough sleepers. The achievements to date have not been overstated and we congratulate the Government on meeting its targets ahead of time. It is however an area where constant vigilance and rapid responses are required. Indeed, it may be that those with most severe problems are those who are still on the streets. We recommend that the Government make further efforts to identify those long-term rough sleepers who have so far not sought assistance. We also recommend that the ODPM make an assessment of the work of the Rough Sleepers Unit, to identify its strengths and weaknesses, and ensure that it is ready to react rapidly should the number of rough sleepers start to rise again. (Paragraph 132)

The Government is grateful for the Select Committee's recognition of the achievement of the rough sleeping target, which is being sustained. Many long-term rough sleepers are no longer on the streets. However, whilst levels of rough sleeping remain low and prevention work ensures only a limited flow of new people onto the street, local authorities and voluntary agencies across the country continue to assist any remaining rough sleepers. Levels of rough sleeping are monitored by Government annually across the country and more frequently in areas with significant remaining problems.

Reductions in rough sleeping numbers were achieved by voluntary sector agencies and local authorities with the advice and support of the then Rough Sleepers Unit (RSU). The work of the RSU was evaluated by Research and Information Services who published their report, 'Helping rough sleepers off the streets' in June 2002. Two of the six key principles of the RSU strategy 'Coming in from the Cold' were to 'never give up on the most vulnerable' and 'focus on those most in need'. We are taking forward this work and to date, reductions are being sustained. We aim to achieve further reductions over the next five years.

30. In order to maintain the reduction in the number of rough sleepers, ODPM needs to ensure that there is suitable first and second stage accommodation for them to move on to. (Paragraph 145)

34. Local authority strategic plans should encompass specialist temporary accommodation. Those responsible for deciding what facilities are provided for homeless people should be long-sighted and think beyond merely putting a roof over heads. (Paragraph 151)

The Government believes that reductions in levels of rough sleeping will be sustained through a combination of effective prevention work and improving move-on routes. The Government has set the framework for local authorities to deliver, via their homelessness strategies and Supporting People strategies, effective resettlement work and tenancy sustainment support. Local authorities should ensure that resettlement plans consider a full range of appropriate settled accommodation. The package of options needs to encompass local authority lettings, Registered Social Landlords (RSLs) and the private rented sector (perhaps via rent deposit schemes) as well as the opportunity to move to another part of the country or a return to a previous place of residence (using mobility and mediation schemes for example).

In ‘Sustainable Communities: Homes for All’ we announced funding for a hostels improvement programme which will target £90m of capital resources to improve existing projects to allow more effective work with clients and secure a step-change in approaches and outcomes. Underlying the programme is the need to change the very nature of hostels so that they provide better opportunities for homeless people and prevent them from becoming homeless again. Re-modelling will allow staff to better address the needs of residents and could also be used to link in other services such as Jobcentre Plus or drug treatment work. It will provide an opportunity to revisit existing projects and develop good practice models for move-on as well as improve the overall standard of hostels and outcomes for residents. We will also be working closely with authorities and RSLs to ensure that appropriate nominations are made available to meet homelessness needs.

31. It is not acceptable for some areas to bear the financial burden of others because hostels are not being strategically built. We recommend that the Government use the demand identified by local authority homelessness strategies to draw up a national map of hostel need. (Paragraph 147)

The Government agrees that it is important that those who need to, can access suitable hostel accommodation. However, we do not agree that a national map is necessary. Local authorities already have a duty to prepare housing and homelessness strategies which should include an assessment of demand in their area for hostel, and other, accommodation. This information should be taken into account by Regional Housing Boards who draw up regional housing strategies and set priorities for capital resource allocation.

32. It is imperative that homeless people are not ‘redefined’ as being no longer homeless as soon as they come off the streets. (Paragraph 148)

The Government agrees with the Select Committee that people placed in temporary accommodation should have access to appropriate support to avoid a recurrence of homelessness.

We know that simply living in a home on a temporary basis can have a negative impact on people’s quality of life: it can involve living away from friends and family and disrupted access to services such as schools, doctors and health visitors. In order to

minimise unnecessary disruption for households, as we have said in our future strategy, where temporary homes are good quality dwellings that meet the household's needs, we would like to encourage their conversion into settled homes with more secure tenancies.

33. We once more recommend that the Government introduce a registration and inspection system for all HMOs. In the meantime, we hope local authorities will make full use of their discretionary licensing powers. (Paragraph 149)

The Government shares the Select Committee's concern to ensure consistent high standards of accommodation in the private rented sector, including that of houses in multiple occupation (HMOs). The private rented sector is a crucial element of the housing market and it is important that any regulation of the sector should only occur when it is justified and proportionate. If unwarranted or unduly onerous regulation were to be introduced, there is a possibility that the burdens imposed could discourage the letting of HMOs or add substantially to the costs for occupants, which in turn could lead to increased homelessness.

The introduction of licensing will impose burdens on landlords and local authorities alike. It should therefore be imposed only where it is genuinely necessary. This is why mandatory licensing is designed to be a targeted measure. But, as the Committee recognise, the Act also allows local authorities to use additional licensing to deal with particular types of HMOs that are causing problems, provided they can make a case for doing so. It is also important to emphasise that the proposed threshold for mandatory licensing is not on the face of the Act in order that the scope can be changed, if necessary, through secondary legislation. We intend to carry out a review of licensing within three years of its introduction. If the review finds that licensing should apply to a wider or narrower range of HMOs the Government has the power to implement that finding.

35. We recommend that, as part of its strategy for temporary accommodation, the Government should undertake a full cost benefit comparison of the provision of temporary and permanent housing, taking account not just of direct costs but also the wider implications for public expenditure (eg housing benefit and support services) and the wider costs for social provision as a whole. (Paragraph 154)

The Government is undertaking an analysis of the benefits of "temporary to permanent" schemes. A set of broad principles for such schemes will be developed and further discussions will take place with the Housing Corporation and Local Government Association. Further work is needed on the full cost/benefit analysis including the level of risk associated with such long-term schemes, and the broader social consideration, including whether schemes would exacerbate long-term benefit dependency.

36. The Government should produce a clear strategy for the future management of temporary accommodation. The strategy should set out how the Government intends to reduce the number of people in temporary accommodation in all its forms, and their length of stay. We believe it should be a priority of the Government to ensure that the right amount of accommodation is available where it is needed for those, mainly single vulnerable people, waiting in B&Bs and hostels, and that the quality of provision is improved and adequate support services are provided. In particular, use of B&B accommodation should be phased out, starting with 16 and 17 year olds. (Paragraph 156)

The Government remains committed to reducing homelessness and to halving the number of people currently living in insecure temporary accommodation. ‘Sustainable Communities: Homes for All’ and ‘Sustainable Communities: settled homes; changing lives’ set out our plans for achieving these aims, based on a combination of investment in prevention, action to support vulnerable people and tackle wider causes and symptoms of homelessness, increased investment in affordable housing, improved access to new and existing social and private sector housing, and the continued commitment of local authorities, housing associations, voluntary sector organisations and other delivery agencies.

Supporting Homeless People

37. That Government require NHS Trusts to draw up strategies for dealing with the health needs of homeless people (Paragraph 163)

38. As part of local authority homelessness strategies, we would welcome consideration of ways to increase the participation of homeless people in mainstream services, as part of their support packages. Staff education on the needs of homeless people, for example in the NHS, would also be a positive step. (Paragraph 164)

The statutory Homelessness Code of Guidance and good practice guidance make it clear that Primary Care Trusts (PCTs) should be key partners in the formulation and delivery of local authorities’ homelessness strategies. The evaluation of local authorities’ homelessness strategies by Housing Quality Network Services (HQNS) found that there are excellent examples of PCTs working very closely with local authorities to improve the health of homeless people. However, the report acknowledged that many local authorities’ homelessness strategies did not address health issues or link into local strategies for delivering health services.

The Government accepts that more action is needed to improve the engagement of PCTs with local housing authorities and we will work jointly to promote best practice. To date we have:

- issued joint ODPM/Department of Health (DH) guidance to local authorities, PCTs, and other health care providers on developing shared positive outcomes in health and homelessness;
- included the number of homeless families in temporary accommodation in a set of national headline indicators in the Programme for Action on Health Inequalities;
- ensured a strong NHS focus on health inequalities;
- issued guidance on carrying out health equity audits to inform Local NHS service planning and commissioning, which includes narrowing the gap in health outcomes between the majority of the population and vulnerable groups, such as homeless people; and
- collaborated with the Community Practitioners and Health Visitors Association to produce good practice guidance for PCTs ‘The Vital Link – Preventing Family Homelessness’.

We are also:

- participating in Homeless Link’s Health Inclusion Project;
- working with DH and NIMHE (National Institute for Mental Health in England) to improve alignment between mental health and homelessness services at a local level; and

- working with DH and National Treatment Agency to improve access to drug and alcohol treatment by ensuring that Drug Action Team (DAT) Treatment Plans and specific homelessness strategies covering areas with historically high levels of rough sleeping and continuing high levels of single homelessness are aligned to provide effective treatment and support.

ODPM, Department of Health and other departments will continue to work closely together, and with the voluntary sector, to improve access to health services for homeless households and those in temporary accommodation.

39. We see clear advantages for all concerned in the development of a system to facilitate quicker access to support packages. We recommend that ODPM commission research into the development of a network to enable prior assessments and treatment records of homeless people to be accessed across the country. (Paragraph 168)

The Government agrees that there are clear benefits from facilitating quicker access to support packages. The National Programme for IT is currently rolling out a national information infrastructure for the NHS in England by 2010. It includes an NHS Care Records Service (CRS) which will enable clinicians to access patients' records securely, when and where they are needed, via a nationally maintained information repository. When fully implemented, the NHS CRS will function across care settings and organisations and will support planned, emergency and unscheduled care. Subject to appropriate confidentiality and security safeguards, information about prior assessments and treatment will be accessible to any health and care professional involved in the care of a patient.

40. We hope that the ODPM will act immediately on the findings of the Housing Quality Network Services review of local authority homelessness strategies. (Paragraph 171)

The Government commissioned and welcomed the evaluation of local authorities' homelessness strategies carried out by Housing Quality Network Services (HQNS). HQNS made a number of recommendations in their report for local authorities, other agencies and Government to consider. We are already taking these forward. For example: we have commissioned research and a development guide to assist local authorities and other agencies in developing services for BME groups; an evaluation of homelessness prevention schemes, leading to the publication of good practice guidance; and published guidance in partnership with the Housing Corporation, National Housing Federation and Local Government Association on effective co-operation between housing associations and local authorities in tackling and preventing homelessness.

HQNS's report supplements individual feedback that authorities have already received on their strategy. The Directorate's specialist advisers are available to local authorities for practical advice and assistance.

41. We recommend that the Government issue strong guidance to social services on the role they are expected to play in local authority homelessness strategies. We expect this to be carried out jointly by the Department of Health, the Department for Education and Skills and ODPM. (Paragraph 174)

Evidence available to the Government indicates that to date, involvement of social services authorities with local authorities' homelessness strategies has been mixed, with

some very good examples of partnerships and some less good. Whilst existing statutory guidance, issued jointly by DH and ODPM, makes clear that social services authorities are required to have regard to the guidance when exercising their functions in relation to homelessness and the prevention of homelessness, we will explore, in conjunction with DfES and DH, whether there is scope for strengthening this in revising the Homelessness Code of Guidance for Local Authorities later this year.

42. We recommend that the Government should require the second round of local authority homelessness strategies to be prepared after two or three years rather than five. ODPM should provide stronger advice and clear guidance on the specific issues which strategies must cover, for example in relation to each specific vulnerable group. Round 2 strategies should also include an evaluation of the differences made since the first strategy was agreed. (Paragraph 176)

When introducing the Homelessness Act 2002, the Government considered carefully the appropriate frequency with which local authorities should be required to renew their homelessness strategies. The Government decided that five years was an appropriate interval, which would not place unreasonable burdens on local authorities and would provide for a forward looking document. The Homelessness Act therefore requires local housing authorities to prepare a new homelessness strategy every five years, with their first having to be published by July 2003 and their next by 2008. However, they have the power to adopt new strategies more frequently, and are required to keep their current strategy under review.

The Government does not feel that it is necessary to change the requirements for local authorities in this regard, as the current legislation requires that 'the authority shall keep their homelessness strategy under review and may modify it'. Many local authorities have already published an update and, in returns to the ODPM, nearly 90% of authorities indicated that they would be updating their strategy before 2008. We have been encouraging authorities to take into account the HQNS report and individual feedback about key issues their strategy should cover when renewing their strategies.

The Government notes the Select Committee's observation that 'it will take time for their real usefulness to become apparent' and agrees that it is the impact of the strategy in preventing homelessness that is its key indicator of success. It has been notable that sustained reductions in homelessness decisions and acceptances have occurred since the implementation of homelessness strategies. ODPM will continue to monitor closely the performance of local authorities and can provide support and assistance through its specialist advisers if it is felt that the strategy is not being delivered effectively.

43. The Supporting People programme is too large an issue to address in any depth in this Report and so we intend to return to the subject in a separate inquiry. We hope to see criticisms decrease as the findings of the Rhodes review take effect. (Paragraph 182)

The Government notes this point. In its report following the Supporting People programme hearing in March 2004, the Select Committee asked for a written update on the programme in March 2005. We will therefore give a comprehensive update on the progress we have made since the publication of the Independent Review report.

Moving on

44. ODPM should commission a census of the hidden homeless in a selection of areas, to assess the scale of the problem. (Paragraph 186)

In regular reviews of the evidence base, the Government has considered the issue of 'hidden homelessness' but does not consider that such an exercise, even in a small sample of areas, would be a good use of public funds, nor that it would produce robust results or give clear messages for policy. The legal definition of homelessness is clear. There is also a well established definition for rough sleeping and a robust methodology for measuring it. The concept of hidden homelessness, however, is unclear and subjective. It would be hard to turn this complexity into simple and comprehensible census questions that could be asked meaningfully of the population at large.

There are, however, a number of workstreams in progress to improve the evidence base about homelessness. 'Sustainable Communities: Homes for All' included a commitment to review the way homelessness statistics are collected, to improve understanding of who is homeless and the circumstances in which they are living. Local authorities are being consulted about further improvements to the statistical returns on households accepted as homeless. Questions have been added to the Survey of English Housing to enable estimates of the extent of so-called 'sofa surfing' to be made, adding to the evidence this provides on housing need.

Good practice guidance on local authority homelessness strategies published in October 2004 re-emphasised the importance of understanding the causes and current and future levels of homelessness in a local area. It also gave examples of using existing information sources to improve reviews.

ODPM will shortly be consulting key stakeholders about new draft guidance for local authorities on housing needs assessment, with the aim of improving quality and consistency.

45. A public information campaign informing people of their rights under the Homelessness Act and encouraging people to contact their local authorities could potentially bring a proportion of the hidden homeless into the system. Although this may well increase the existing pressure on temporary and permanent accommodation, it would enable local authorities to make more useful assessments of the scale of the problem and the housing needs of those living in the area. (Paragraph 186)

The Government agrees with the Select Committee on the importance of informing those at risk of homelessness about the help and assistance available from local authorities, as well as from voluntary housing advice services (many of whom are funded by local authorities). However, it is for local authorities to ensure that their services are accessible to all those who find themselves homeless or in housing need based on a good understanding of the needs of their communities. Furthermore, their services should aim to prevent homelessness and should signpost people to options which will address their housing or other needs and which will provide settled solutions.

Feedback received from local authorities suggests that building links with their local independent housing advice services and voluntary sector partners was one of the most valuable parts of their Homelessness Review and Strategy development. We would encourage local authorities to continue to use these networks to raise awareness of their services.

46. With the increasing use of choice based letting schemes, the Government must provide guidance to local agencies to ensure that homeless people benefit from them and are not disadvantaged. (Paragraph 188)

Considerable efforts have been made by the pilots to guard against disadvantaging homeless households. Local authorities and their partners, in reviewing or developing Choice Based Lettings (CBL) schemes, must ensure that the needs of homeless households and of those in temporary accommodation can be met through their schemes.

CBL schemes can contribute to the aim of halving the number of homeless households in temporary accommodation by 2010 by enabling households to access suitable settled housing more quickly than may have been the case through a traditional bureaucratic system of allocation. More efficient and transparent access to social housing through choice-based schemes has the potential to reduce the incidence of homelessness. Additionally, when developing CBL, local authorities and their partners should ensure that households in temporary accommodation are given sufficient priority within schemes and are not disadvantaged compared with other vulnerable groups.



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