

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## HOMELESSNESS REDUCTION BILL

*Seventh Sitting*

*Wednesday 18 January 2017*

*(Afternoon)*

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CLAUSE 7 agreed to.  
CLAUSE 1 agreed to, with amendments.  
Title amended.  
Bill, as amended, to be reported.

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**not later than**

**Sunday 22 January 2017**

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**The Committee consisted of the following Members:**

*Chair:* MR CHRISTOPHER CHOPE

† Betts, Mr Clive (*Sheffield South East*) (Lab)  
 † Blackman, Bob (*Harrow East*) (Con)  
 † Buck, Ms Karen (*Westminster North*) (Lab)  
 † Burrowes, Mr David (*Enfield, Southgate*) (Con)  
 † Donelan, Michelle (*Chippenham*) (Con)  
 † Drummond, Mrs Flick (*Portsmouth South*) (Con)  
 † Hayes, Helen (*Dulwich and West Norwood*) (Lab)  
 † Jones, Mr Marcus (*Parliamentary Under-Secretary of State for Communities and Local Government*)  
 † Mackintosh, David (*Northampton South*) (Con)  
 † Matheson, Christian (*City of Chester*) (Lab)

Monaghan, Dr Paul (*Caithness, Sutherland and Easter Ross*) (SNP)  
 † Pow, Rebecca (*Taunton Deane*) (Con)  
 † Quince, Will (*Colchester*) (Con)  
 † Slaughter, Andy (*Hammersmith*) (Lab)  
 † Thewliss, Alison (*Glasgow Central*) (SNP)  
 † Tomlinson, Michael (*Mid Dorset and North Poole*) (Con)

Glenn McKee, *Committee Clerk*

† **attended the Committee**

## Public Bill Committee

Wednesday 18 January 2017

(Afternoon)

[MR CHRISTOPHER CHOPE *in the Chair*]

### Homelessness Reduction Bill

#### Clause 7

DELIBERATE AND UNREASONABLE REFUSAL TO  
CO-OPERATE: DUTY UPON GIVING OF NOTICE

2 pm

*Question (this day) again proposed,* That the clause stand part of the Bill.

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** When we broke at the last sitting, I was coming on to the subject of written warnings. I nearly got one this morning, I detected, but was very fortunate that I evaded the wrath of the Chair.

We would expect that before a local housing authority issued a written warning, it would make all reasonable efforts to engage the individual, explore the reasons for their failure to act and try to re-establish a co-operative relationship. Following that written warning, if the applicant continued deliberately and unreasonably to refuse to co-operate, the local housing authority might choose to issue a notice that brings to an end its duties to prevent or relieve the applicant's homelessness.

**Michael Tomlinson (Mid Dorset and North Poole) (Con):** I fear the Minister is about to move on. At that stage, is there not, under proposed new section 193A (3)(b), the right to request a review of that decision? The notice is therefore not necessarily the end of the piece, because the applicant may request a review if they feel they have been unfairly dealt with.

**Mr Jones:** There is, as my hon. Friend rightly points out, a right to review. I am sure he realises that I will not go into too much detail about that, because we will deal with it far more when we come to the amendments tabled to the clause on Report.

Where a local housing authority has brought its duty to an end in this way, and the applicant was made homeless through no fault of their own and is in priority need, the authority will be required to make a final offer of a private sector tenancy of at least six months. The Government will review and update the homelessness code of guidance to provide clear guidance on how that will work in practice. As I said, that will include guidance on the meaning of "deliberately and unreasonably" refusing to co-operate.

Guidance will be developed in consultation with stakeholders across local government and the charity sector to ensure that it is clear and fair. We had quite a lengthy debate about that this morning and will discuss

it on Report, so I will not go into it any further. We must ensure that the provisions are clear and fair, and that we minimise as far as possible the risk of someone failing to get the support they need. We will also work closely with stakeholders across local government to develop further regulations relating to the process that local housing authorities should follow. As colleagues have said, that is key to getting this right.

This is an important part of the Bill and of driving the cultural change we want, so that local housing authorities and individuals work together for the best outcome within a framework that is clear and fair, with a balance of responsibilities. Although the need for amendments is disappointing for all of us, the importance of the clause drives my determination to make the amendments that the Committee expects.

**Michael Tomlinson:** I hope the Minister will at some stage address the point that not only I but a number of colleagues made about the particular circumstances and needs of the applicant. I understand that we will have an opportunity to look at the clause when it is rewritten, but we were invited by the Bill's promoter to make particular representations on those parts of the clause that we think should remain in it. Does the Minister agree that new section 193A(6) is an important part of it? Even if we do not use exactly these words, we should look at the applicant's particular circumstances and needs when assessing whether he or she has unreasonably refused to co-operate.

**Mr Jones:** My hon. Friend makes an extremely important point. We will deal with this in far more detail on Report.

*Question put and agreed to.*

*Clause 7 accordingly ordered to stand part of the Bill.*

#### Clause 1

MEANING OF "HOMELESS" AND "THREATENED WITH  
HOMELESSNESS"

**Mr Jones:** I beg to move amendment 16, in clause 1, page 1, line 5, leave out subsection (2).

*Clause 1(2) of the Bill, which this amendment would leave out, currently makes provision about the implications of a notice given under section 8 or 21 of the Housing Act 1988, and court orders, for whether a person is homeless or threatened with homelessness. Amendment 17 makes provision about the implications of a section 21 notice.*

**The Chair:** With this it will be convenient to discuss the following:

Government amendment 17, in clause 1, page 3, line 4, at end insert—

"( ) After subsection (4) insert—

"(5) A person is also threatened with homelessness if—

(a) a valid notice has been given to the person under section 21 of the Housing Act 1988 (orders for possession on expiry or termination of assured shorthold tenancy) in respect of the only accommodation the person has that is available for the person's occupation, and

(b) that notice will expire within 56 days."—  
(Mr Marcus Jones.)

*This amendment provides that a person will be threatened with homelessness for the purposes of Part 7 of the Housing Act 1996 if they have been given a valid notice under section 21 of the Housing Act 1988 in relation to their only accommodation and that notice will expire within 56 days.*

Clause stand part.

**Mr Jones:** The Government have tabled amendments 16 and 17, which remove all of clause 1 apart from the extension of the prevention duty from 28 to 56 days and clarify that an applicant is threatened with homelessness if they have a valid section 21 notice that expires in 56 days or less. I am sure that most Committee members will be aware that this clause has been the subject of extensive discussion with and concern from the many external stakeholders who will be affected by the Bill, including landlords, local authorities and the charities working with those in need of housing support.

Prevention is vital to tackling homelessness. Getting in early and working with applicants before a crisis hits is key. The clause works in conjunction with the rest of the Bill and with current legislation to shift the focus towards prevention and to encourage those at risk of homelessness to seek help early. In the best local authorities in the country, that ability to seek help early is the guiding principle. I had a very good visit to Sevenoaks in Kent, where the council is absolutely following that principle. It is effectively putting the message out to local people that if for any reason they have a challenge in maintaining their housing, they should get in touch with the local authority at the first opportunity and go in to discuss those concerns. When concerns such as relationship breakdown, challenges with budgeting and redundancy are brought to the council, it has officers who have experience in those areas and are able to guide and support people with, for example, budget planning.

**Will Quince** (Colchester) (Con): Does the Minister agree that often when people experience life-changing events, be it a marital or relationship breakdown or the ending of a tenancy, they are not at that point in crisis? They often just need some really good, clear advice, which they can then reflect on, long before they reach crisis point. That is why this particular duty is so important.

**Mr Jones:** I completely agree. Too often, under the current legislation, people who get into those sorts of difficulties or experience those sorts of events do not know who to turn to—the local authority, the citizens advice bureau, a friend or even the local MP. I hope that this will lead to more clarity, and to people being quicker to approach the local housing authority, which might be working with the CAB or charities, to deal with challenges that are often not about housing, but that lead to people having a problem with their housing or, indeed, to homelessness.

**David Mackintosh** (Northampton South) (Con): My hon. Friend the Member for Colchester and I are part of the all-party parliamentary group for ending homelessness, and we have taken evidence. It has emerged that there are some very good schemes around the country that not only help people to find a home but equip them with the life skills they need. Would it be helpful if I wrote to the Minister with some of the evidence gained from the APPG's information gathering, so that he can pass on forms of best practice?

**Mr Jones:** I would be delighted if my hon. Friend sent me that information. As we have discussed, advisers will be going around the country and speaking to local housing departments to explain how this legislation works and help them with any challenges. There is some really good best practice—I mentioned Sevenoaks—including help with the general life skills that sometimes even the most able people struggle with when they experience a difficult event such as a relationship breakdown, as my hon. Friend the Member for Colchester said.

Clause 1 helps to tackle the bad practice whereby some local authorities advise tenants to remain in properties until the bailiffs arrive. It also includes some flexibility to allow local housing authorities to talk to landlords and work with tenants before they have to leave the property, to see if solutions can be found. We all know that our biggest challenge when it comes to priority need homelessness acceptances by local authorities is the ending of an assured shorthold tenancy. We firmly believe that if we can get in there and help people to maintain a tenancy before it is too late, we will not only do a very good job for those potentially losing their tenancy, but help the local authority, which will have time freed up to support people who are more difficult and challenging to deal with because of their circumstances.

**Michelle Donelan** (Chippenham) (Con): Will the Minister acknowledge that this is already happening in Wales? They opened up the period in which someone could be classified as being threatened by homelessness. That backs up this clause and proves that it will work to prevent homelessness.

**Mr Jones:** My hon. Friend makes a good point. It has been said outside this Committee many times and in the discussions I have had, particularly on the amendments we are looking to make to clause 7, that the housing market in England and particularly in London is very different from that in Wales. We can certainly draw many parallels with the Welsh legislation and have confidence that, in many ways, this legislation will have a very positive effect. On whether it will have the significant effect it has had in Wales, I make two points. First, local authorities in England were already better, in general, at preventing homelessness than those in Wales before the legislation was introduced; we need to take that point on board. Secondly, our assumptions—particularly on cost, which I will come to later—have been based very much on an acknowledgment that the housing market is very different in England, and particularly London and the south of the country.

**Michael Tomlinson:** Is not the point about clause 1 that all these notices are meant to be mandatory? The local authority will have confidence that it will be giving advance help, or that there will be more warning, in the knowledge that when the notice is provided, it will eventually lead to a possession order and therefore homelessness.

2.15 pm

**Mr Jones:** My hon. Friend hits the nail on the head. There is obviously an incredible amount of good will in relation to increasing the period over which people are

[Mr Marcus Jones]

supported and trying to mitigate the challenges they encounter before they become homeless, but some concern has been expressed about the approach. Landlords are worried that the flexibility could be misused by some local housing authorities to delay triggering their obligation to help tenants, which could result in increased costs for landlords in having to go through the courts to evict tenants and cause extra distress to vulnerable at-risk households. In general, landlords and local authorities were concerned that the clause as drafted was too complicated and could be misinterpreted or even misused.

My hon. Friend the Member for Harrow East and I have met a range of stakeholders to agree an approach that best addresses everyone's concerns while keeping at its core our overall aim of helping people to solve their housing issues before they become homeless. I thank all of them for their constructive engagement and for helping us to reach the approach that the Government are proposing. Local authorities and the housing charities have confirmed that they support the amendment.

The prevention duty provides that local authorities must work quickly and proactively with applicants who are threatened with homelessness to find a long-term housing solution during that period. The amendment adds to that by making it clear that any applicant with a valid section 21 notice that expires in 56 days or less is to be treated as threatened with homelessness and therefore offered the relevant help and support. Where applicants in those circumstances seek help, local housing authorities will be required to work with them to try to prevent them from becoming homeless before the notice expires. That should help to reduce evictions from privately rented accommodation and facilitate less disruptive moves to alternative housing when tenants do have to move out. It has been mentioned many times that once a family have paid a deposit bond to a landlord, if they are subsequently evicted quite often the biggest challenge is that do not have that bond to get back into the rental market.

**Mr David Burrowes** (Enfield, Southgate) (Con): On support from local authorities, how much engagement, involvement and sign-up from local authorities is there for the amended clause 1? I know that my hon. Friend has had discussions, and there will obviously be further debate about the costs. I think that some local authorities have been under a particular impression in terms of the somewhere-to-stay provision and using a cost element that is not focused on what is in the Bill now, although it will be if we pass the amended clause.

**Mr Jones:** There have been infinite discussions about this clause and the others. I think that, generally, the clause has been accepted readily by most people involved, particularly on the local authority side and by the Local Government Association. Generally that is because people recognise that if we gear our help to being upstream, rather than waiting for a housing crisis, that will significantly reduce the cost of helping people, but more important than the cost, it will put people in a far better position as individuals than would have been the case otherwise.

The end of a private rented sector tenancy is currently the main trigger for homelessness, so the Government commend the amendment as a way to ensure that valuable

opportunities to prevent homelessness are not lost and that households are more likely to receive the help that they need at the right time. The amendment balances the need for flexibility for local housing authorities with recognition of the legitimate concerns of landlords and homelessness charities. Clear guidance will be issued to set out in more detail how that flexibility should be used.

**Michael Tomlinson:** With respect, the Minister is slightly skating over the significance of the amendment he tabled. It sweeps away any section 8 notices as well. He says he consulted landlords and other bodies, but perhaps he could deal with this, because section 8 notices can be mandatory as well. Why do only section 21 notices remain under the amendment? Why have section 8 notices been swept aside?

**Mr Jones:** I thank my hon. Friend for bringing that up. I will deal with that at the appropriate point.

As I said, the amendment balances the need for flexibility for local housing authorities with recognition of the concerns of landlords and homelessness charities, and clear guidance will be issued. I can confirm that to ensure that applicants threatened with homelessness due to the issuing of a section 21 notice receive continuous help and support through the prevention and relief duties, the Government plan to table an amendment on Report to clause 4—the prevention duty. That will require that while the applicant remains in the same property, the prevention duty continues to operate until such time as the local authority brings it to an end for one of the reasons set out in clause 4, even if 56 days have passed. In an ideal world, if we were dealing with the Bill in the usual order, I would have tabled that amendment once we had debated clause 1, in advance of the debate on clause 4. Regrettably, because of the timetabling and the challenges we had with clause 1, I was not able to do that, which I apologise for. Unlike with clause 7, that could not have been avoided at all.

The prevention duty may be brought to an end because, for example, agreement is reached by a tenant to stay in the property for at least a further six months; alternative suitable accommodation has been secured for the household; they have become homeless and eligible for the relief duty; or they have withdrawn their application. The amendment to clause 4 will address a concern raised by some charities that there may be cases where the 56-day prevention duty period has run out but the household is unfortunately still at risk of homelessness. They may not yet be homeless and would therefore, in some instances, not be covered by the relief duty.

To complement that change to the legislation, the Government will take other action to encourage people at risk of homelessness to present earlier to their local authority. We will amend form 6A, which is used to evict tenants through section 21, and amend the “How to Rent” guide to include information encouraging tenants to seek help earlier when they receive a section 21 notice and believe they are at risk of homelessness as a result.

**David Mackintosh:** Clearly, this will be a change for some housing authorities. As we have said before, that will require extra training. Will the Minister confirm that his Department is looking at that?

**Mr Jones:** As I have said a number of times, I fully believe that additional training will be necessary in some cases. Some local authorities are already doing many of the things being introduced in the Bill, but many local authorities are not. This morning the hon. Member for Westminster North challenged certain practices of housing options departments. The team of advisers that the Department will employ will be there to do just that—to embed the new legislation as it comes through, so that we get the result that we all seek and desire from the Bill.

My hon. Friend the Member for Mid Dorset and North Poole was right to raise section 8 notices and the reasons why our amendment will remove them from the Bill. For those served with a section 8 notice, there is a set defence procedure that tenants must have the option to follow through if they wish. For example, a tenant may wish to challenge a section 8 eviction if the notice is not valid, if they can prove the amount of rent arrears is wrong, if they have evidence that disproves their landlord's case, or if they have a counterclaim for disrepair. Any applicant at risk of homelessness within 56 days or fewer will be offered the prevention duty assistance by their local housing authority. The measure ensures that those served with a section 8 notice have the flexibility to dispute it if they wish, but will also be able to seek help should they be at risk of homelessness. I hope that allays my hon. Friend's concerns.

You said earlier, Mr Chope, that the issue of costs should be dealt with during the clause 1 stand part debate, in which we are also considering Government amendments 16 and 17. As I have said during the Bill's passage—on Second Reading and at Committee stage—the Government are committed to meeting the cost of the Bill, in line with the new burdens doctrine, and I announced yesterday that £48 million will be provided to fund the Bill. The Bill will place new duties on local authorities to prevent and tackle homelessness for all those who are eligible, not only those currently in priority need. In line with the new burdens doctrine, the Government will fund the cost of the new burdens placed on local government, including providing all households with free information and advice on preventing and relieving homelessness. As we have just heard, the prevention duty and the period in which local authorities have to work with people to do all they can to prevent homelessness, is increasing from 28 to 56 days. There is also an enhanced duty for those who are already homeless, meaning that local housing authorities will support people for 56 days to relieve their homelessness to help them to secure accommodation.

I assure the Committee that we have committed to working with the LGA and local authorities to establish a formula for distributing the funding that factors in the different pressures and costs in different places. We have discussed the far greater pressures in London and parts of the south-east than in other parts of the country. That said, we are acutely aware that there are challenges with homelessness across the country that we have to deal with, and we will reflect that in our discussions with the LGA. In addition to the money that will be provided for new burdens, we have committed to considering whether there is a case for a small amount of additional funding to help those areas facing the highest pressure. At this point, we have not made a complete assessment

of what that figure will be, but we are certainly mindful that some places will face significantly greater challenges than others.

To give a headline view of how the costs have been worked out—I am trying to pre-empt questions from the Committee—the cost of the new measures has been determined by using current data on local authority homelessness spending combined with national statistics on homelessness. Those have helped us to arrive at unit costs for the various services. Assumptions were made on the effect of the Bill on such activities: for instance, we have assumed that the case load will increase as a result of the new offer to households at risk of homelessness.

We have also looked at the situation in Wales and judged that we will not increase the case load in England as much as was the case there. That is because there is already a more significant prevention duty in place in England than there was in Wales at the start of its legislation.

2.30 pm

**Mr Burrows:** On the methodology, obviously it is important that there is as much agreement as possible on the basis for the Government's welcome funding commitment for the implications of the Bill. Certainly one cannot predict how much demand there will be for prevention services, but has as much agreement been reached as is possible with local councils and the LGA in relation to the methodology testing that has taken place up until now?

**Mr Jones:** There has been extensive discussion on that, and from the LGA's press statement it is apparent that it does not dispute the methodology used. It has talked about reviews—we can come on to that—but it has not disputed the methodology. On the methodology, we must be careful to ensure that we are comparing the potential cost with the burdens created under the Bill. On Second Reading, the hon. Member for Ilford South (Mike Gapes) spoke at considerable length about what he saw as a multimillion pound commitment that his local authority would have to meet as a result of the Bill. That included concern over the original proposal for a “nowhere safe to stay” clause, which after speaking to local government the Government considered carefully. Although in an ideal world it would be fabulous to do what that proposal intended, it would have created a huge new burden that would have been difficult to deal with. More particularly, the big challenge around that was that that new burden's demand could not be quantified. In many of the assumptions we have made in preparing the Bill, we have been able to use methodology relating to the experience of the Welsh legislation, and that legislation did not have provision for nowhere safe to stay.

**David Mackintosh:** I am grateful to the Minister for that explanation and for the work that has gone on behind the scenes to get the methodology. I note from the LGA's response that it asked for this provision to be looked at in the future. The hon. Member for Sheffield South East is not in his place, but I am sure that the Communities and Local Government Committee stands ready to help look at that again in the future, if required to do so. I make the offer, I am sure on behalf of all members of the Select Committee, that we will be willing to help and look at anything, going forward.

**Mr Jones:** I thank my hon. Friend for that kind offer. The Select Committee has taken an active role in the Bill—in fact, as he is well aware, a number of changes have been made as a direct result of its intervention. We will certainly look to review the policy and how it is working in practice once there has been time for the system to bed in. Bear in mind that the policy will not be implemented on the day that the Bill gets Royal Assent; it will be reviewed ahead of the new burdens assessment in the 2021 financial year. New burdens reviews do not lead to automatic recoupment of overpayments. Any review will be based on assumptions and estimates, although informed by experience on the ground. The actual policy cost may differ between local authorities, depending on how they choose to implement it. That is an important point, which we need to take into account.

**Michael Tomlinson:** On finance, it has been indicated that several amendments will be tabled in the future. My hon. Friend the Member for Northampton South was talking about a different thing; I am talking about the specific amendments, which may place additional burdens on local authorities, that may be tabled when the Bill returns to the Floor of the House. Will the Minister look at that issue again and give reassurance on it when the time comes?

**Mr Jones:** My hon. Friend is as perceptive as ever and makes an excellent point. Clearly, amendments will be tabled on Report. I assure him that anything in those amendments that constitutes a new burden on local authorities will be dealt with in the same way. There is nothing in the statement that we have already made that is not in the Bill today. If there are any additional costs as a result of amendments tabled on Report, they will quite correctly be dealt with separately from the £48 million that we announced in our statement. I hope that gives him some reassurance.

Amendments 16 and 17 represent the best balance between the interests of tenants, landlords and local housing authorities. I believe that the schedule of new burdens costs that we have set out for the Bill is fair and we did our homework in relation to the calculation of those costs. The clause is part of the excellent package that my hon. Friend the Member for Harrow East has brought together with the support of the Select Committee, the Government, housing charities, and in the main local authorities. I am pleased to propose that the Committee supports the amendments and clause 1 as amended.

**Andy Slaughter** (Hammersmith) (Lab): If I understood you this morning, Mr Chope, you would like single speeches addressing both the amendments and clause stand part. That is a sensible way to proceed. I observe in parenthesis that I would be the first person to be accused of being a hypocrite if I was to deprecate a filibuster. The only thing that I say is that in my experience, one usually does that when one does not care for the legislation one is talking over. I say to the promoter, the hon. Member for Harrow East, that I would hate, for the sake of posterity, for this debate to be one of rather more quantity than quality. I will try to set a good example by being clear, precise and concise while I hope covering the relevant points.

It would be churlish to say that the Government or the promoter have laboured mightily and brought forth a mouse by spending several weeks mulling over what we should do with clause 1 and then deleting 95% of it. I also asked those advising us to have a look at it and they could not come up with much better than deleting most of clause 1. So there it is; that is where we are. There is broad agreement that the new slimline version of clause 1 is better than the old version, so I concede that point. There were technical and policy difficulties with the original version and the more that everyone looked into them, the more irreconcilable and unresolvable they became. Although the revised version is better, there are still problems. I will not ask the Minister to respond to those problems today, but do ask him at least to look at some of the concerns and to consider, perhaps before the Bill emerges in the other place, whether clause 1 does the entire job.

Rather than spend a long time outlining the problems, let me just give two examples. The Association of Housing Advice Services said:

“There is government guidance that requires councils to make a decision on a homelessness application within 33 working days (about 42 days). As an applicant is now threatened with homelessness as soon as they receive a section 21 notice, we must take the homelessness application at that point. Which means we will need to determine the application...before the S21 notice has expired and often whilst prevention work is still being undertaken. If we succeed in preventing”—

that is the local authorities—

“homelessness after the application has been decided, we have to formally end it with an offer of accommodation; which is unnecessarily bureaucratic as they (still) have somewhere to live. Currently if we are negotiating with a landlord, we can delay starting the homelessness application (as they are not yet threatened with homelessness) until that fails.”

However, Shelter says that

“in cases where the prevention assistance does not prevent proceedings or help find an alternative home, the amendment to Clause 1 would allow the local housing authority say that the applicant was not actually homeless right up to the date of eviction. Only homeless applicants in priority need are entitled to interim accommodation, so authorities would not be obliged to provide interim accommodation until the applicant actually became homeless, which could still be interpreted by local authorities as the date of the eviction.”

I am not saying that I entirely agree with either of those points, but they are worthy of consideration and are caveats to how the amended clause would run. They are not necessarily consistent with each other; indeed, in some respects they contradict each other. I just feel that we may not have resolved the fundamental issue with clause 1, although we have gone some way towards that.

My other concern relates to Government amendment 17 to clause 1, which refers to a “valid” section 21 notice having been served. What is a valid section 21 notice? I earned quite a lot of money arguing over that for a number of years, but in the end it was not my decision—it was the judge’s decision as to what would be valid. In this case, I assume it will be the view of the local authority, but will it be correct and does it have the full facts on which to determine what is a valid section 21 notice? These things can be quite technical and complicated, and there is a body of case law, not surprisingly, as a no-fault eviction, which is what the section 21 notice is all about, behoves representatives and courts to look even more closely at the technical side of the matter.



Notwithstanding what the Minister said about section 8 notices, the new version of the clause does deal with section 21 notices. Again, these are technical legal points, so rather than the Minister responding today, he might want to go away and reconsider them before Report or even before the Bill goes through the other place. I was not entirely persuaded as to whether there is some inequality between the serving of a section 21 notice—a no-fault process—and a section 8 notice. Of course, there are other types of tenancy as well, some of which are less secure than assured shorthold tenancies, which can be terminated by a notice to quit. Where do they stand? Given that the Bill does not deal with the myriad tenancies under housing law, but with anyone who is made homeless, we need to be able to deal with those matters comprehensively. I entirely understand the problem of trying to draft something that deals with section 8 notices as well as section 21 notices, but nevertheless we need to hear a little more at some stage about how the clause will impact on those tenancies—a minority, probably—that are terminated other than by a section 21 notice.

2.45 pm

I have said what I wanted to say on clause 1 as drafted. We need a clause 1; most Bills need a clause 1 and this Bill is no exception to that rule. [*Laughter.*] We have got there, albeit in a rather roundabout way.

Mr Chope, you indicated that there may be an opportunity—there certainly should be—to consider yesterday's written ministerial statement on funding, which, as we have said before, is a vital part of the Bill. I do not want to test the Committee's patience, but I simply want to say that we have reservations about that statement and the methodology applied. The statement itself appeared late in the day and was rather short. It was less trumpeted than some things that come out of the Minister's Department, which normally means that the Department is a little uncertain and not terribly proud of what it is doing. Had it thought the funds were sufficient for the purposes of the Bill, I suspect there would have been a little more fanfare and the statement would have been more attuned to the media than it was. I guess that was partly to do with the negotiation with the LGA and others.

**Will Quince:** Having seen the announcement from the Government for the £48 million, I was surprised to see the response from the LGA. I expected its response to be, "It's not enough. It's never enough. It cannot possibly be enough." In fact, its response was the opposite. It agreed fully with the Department's methodology, which is a huge credit to the Minister and his departmental officials. Why does the hon. Member for Hammersmith suggest it is not enough? The LGA has only said that the measure should be reviewed in two years' time, two thirds of the way into the three-year funding formula.

**Andy Slaughter:** We can all read the statements in the way that we wish to. Everybody wants the Bill to succeed. In the statements made not just by the LGA but by London councils and non-governmental organisations, I detected a sigh and a comment that seemed to suggest, "We hope this will succeed". I did not see anything in the LGA's statement or any other statement that said the funding was sufficient. The LGA's statement welcomed the Minister's comments in

Committee that the Government wish to fully fund the Bill. I do not think it specifically said—hence the comment on review—that that was necessarily going to be the case. Let me rely on my own counsel rather than the LGA's in this matter. I am simply raising our concerns.

It is difficult—I will concede this to the Government—to come up with a figure, because we are in new territory. I appreciate that. That should be an absolute reason why the Government should adopt the view of the LGA and agree to a review. Perhaps the Minister will say whether we will get a review. If it is right that none of us can be absolutely certain, we need to know, within the time that the money is still being paid out, which is effectively one to two years, whether the money will be sufficient.

**David Mackintosh:** It is fair to point out to the hon. Gentleman that the Department for Communities and Local Government yesterday circulated to local authorities and us the background behind the funding of the new burdens for this Bill, which includes quite a lot of information about the assumptions. It talks in great detail about Wales, where there was a 28% increase in cases, and works out a sensible assumption for England. It is helpful to point that out to the Committee. I wonder whether he has seen it.

**Andy Slaughter:** Of course I have seen it and read it. I was slightly surprised that it appears to have come personally from the DCLG statistician, rather than the Minister. I do not know whether that is to allow the Minister, if it all turns to dust, to say, "Oh, it was just some functionary who produced that"—[*Interruption.*] Let me take the points one at a time.

First, there is the matter of quantum. Although we do not have absolute figures, because we are in new territory, all the indications so far—I quoted some of them earlier—suggest that £48 million is not going to touch the sides. I am sure the responsible Minister saw the article in "Inside Housing" on 21 December, in which a number of councils volunteered what they think it will cost them. Lewisham, for example, said it would cost £2.38 million per year and Ealing said it would cost £2.55 million per year. AHAS estimated, and I think the figure has increased since then, that the 32 London boroughs will have a combined bill of £161 million in the first year, which is substantially in excess of £35 million.

I appreciate that even in the two pages of methodology there has been no attempt yet to divvy the sum up among authorities, and I think one can anticipate that London authorities are going to get a larger share than some rural or district authorities. Nevertheless, there is such a disparity between what the professional bodies and local authorities have estimated and what the Minister has provided. It is, shall we say, unlikely that it is going to fully fund, even in the first year, the local authorities' new responsibilities.

**Mr Jones:** We do not recognise some of the very high figures that have been quoted. There is a lot of misunderstanding about what is within the scope of the Bill and what will be within the new burdens. There is also the question whether the savings that will offset the costs have been taken into account. Has the hon. Gentleman done any homework and asked the local authorities in question whether they have considered those issues?

**Andy Slaughter:** The Minister is getting ahead of me. I am dealing simply with quantum now. I will come on to the methodology next and the savings as a third point.

There is an estimated gap of nearly £200 million by the end of the decade in local authorities' current homelessness provision. If one looks at the fact that London boroughs spent £633 million in the last year for which figures were available—2014-15—on temporary accommodation, including £170 million of their own funds, and the fact that they are already subject to substantial reductions in funding, I am not surprised that they are very concerned about that. That is purely on the issue of quantum.

On the issue of methodology, I am not sure how far it takes us. Although something is better than nothing, I found it a slightly odd way of presenting the background information. I would like to see a full impact assessment. I appreciate that we may need to wait until we know exactly what the Bill is going to do. There may need to be a review of provision—the methodology concedes that—but once we know how the sum is going to be broken down, I would like to know exactly how the Government can justify their claim that this will be new burdens funding and that it will be fully funded.

On the issue of savings, of course we all hope for savings, not only cash savings but savings in human misery, bureaucracy and unnecessary action. I am, however, less sanguine than the Minister about the fact that that will all be resolved in one to two years. In part I say that because much of what the Bill will do is to encourage what we have often heard called a culture, a culture of local authorities doing more by way of prevention. Yet in a lot of the busiest authorities, prevention work is done—in 80% of cases in Camden, for example—so quite a lot is going on, and I am not persuaded that we will see an immediate culture change, or that that culture change will produce savings.

Savings are likely to come by averting homelessness for priority need cases, because that is where the substantial burden of cost comes. At the moment part of the point of the Bill is that a lot of local authorities are not taking their responsibilities seriously in relation to non-priority need cases. Thereby, if we simply see an increased focus on those cases on which there is not current expenditure, or people being turned away, I do not quite see where the savings are coming from or where the supposition comes that within two years there will be nil cost to local government. To be perfectly honest, I just do not believe it.

We could sit here all afternoon saying, “We think it is”, or, “We think it isn't”, but surely the sensible course is to have an early review to see whether the LGA's caution or the Minister's option is justified.

**Mr Burrowes:** I want to encourage an optimistic view, perhaps even a realistic one. The Welsh choice led to that 69% decrease in the first year. I understand that the assumption in the figures we are discussing is for a 30% decrease in homelessness, but is that not seeking simply to follow the Welsh model, which is a great success? The shadow Minister, however, says that there will be hardly any reduction or savings. He cannot say that. What is his concern with 30%? Is 30% too optimistic? Where would he say there will be reduction?

**Andy Slaughter:** The principal way in which a case could be resolved in Wales was by finding accommodation. We have been talking about Westminster for half a day, and we know that for the authorities with the most pressing housing need, finding accommodation is virtually impossible. It is not impossible in Wales; it is virtually impossible in many London boroughs. Resolving those issues will be expensive in any event—there is a higher cost attached, whether it is to mediation, landlord incentive, deposit schemes or whatever—but there is also less ability to do anything, so it will take more time and be more difficult to do. So yes, I am pessimistic about it compared with the situation in Wales.

If we do not know the answer, let us make sure that we build in a mechanism to ensure that we do know. I am sure that the Scots will agree with this, even if Conservative Members do not, but we do not want the initiative to fail, and certainly not for lack of resources. I will be delighted to make a public statement of having been totally wrongheaded about this if it turns out that within 18 months there is no additional cost to local authorities under the provisions of the Bill. At the moment, however, I am somewhat dubious about that. The Minister may call my bluff simply by agreeing to what the LGA wants.

**Mr Jones:** The hon. Gentleman talks about 18 months' time. Does he accept that the chances are that, in 18 months' time, we will have only a matter of months' worth of evidence on the effect of the policy and the costs and savings from it? It needs to be looked at over a longer period. The LGA is saying two years, but that is not 18 months.

3 pm

**Andy Slaughter:** I said 18 months because the money runs out in two years, as a maximum, but if the Minister wants to say two years, let us say two years.

My final point is one that I suspect the Minister has heard before. It is difficult to look at the Bill, especially the funding element of it, in a vacuum. There is a supply crisis, which is why my right hon. Friend the Member for Wentworth and Dearne (John Healey) urged the Government before Christmas to make additional properties available that were dedicated to relieving rough sleeping. Supply is a many-headed issue, but there is a specific issue about rehousing those who are in a particularly vulnerable position.

**Mr Jones:** The right hon. Member for Wentworth and Dearne may talk a good game, but the Government are playing one. We are putting in place move-on accommodation, and we are going to spend £100 million on providing 2,000 places for the very people that the hon. Member for Hammersmith is talking about. Does he welcome that?

**Andy Slaughter:** I gave way to the Minister because he was so insistent that I thought he had something new to say.

Supply is an issue, and so is security. We know—Government Members have said it today—that the biggest cause of homelessness is ending private sector tenancies, because of the opportunity for “no fault” possession and because of rising rents and landlord

attitudes. Our very sensible and moderate proposals for longer tenancies and for controlling rents would be a major way of controlling homelessness. The Government cannot ignore their own actions in relation to local housing allowance, the benefit cap and all the measures that we have heard mentioned today. I pray in aid Westminster City Council and other Conservative authorities, which are saying that they cannot cope because of the additional pressures that the Government are putting on them. Those pressures go right across the board for local authorities.

I will not labour the point. I simply say that the Government need to take a holistic approach and say, “Yes, of course we want the Bill’s provisions to work and we want to fund them properly.” However, we cannot do only that. We have to look at where the accommodation is going to be, at why people are increasingly coming to local authorities—there has been a substantial, 40% increase in the use of temporary accommodation over the last four years—and at the effects of other policies that are directly contrary to the intentions behind the Bill. I put that on the record. The question of money relates not just to the specific matters raised in the Bill, but to how the system works as a whole. At the moment the system is creaking incredibly. It is not getting better; it is getting worse.

**Michael Tomlinson:** I begin by picking up on one or two points from the hon. Member for Hammersmith. On a positive, optimistic note, let me start by saying what I agree with in his analysis of clause 1. He mentioned several other forms of tenancies, such as less secure tenancies; perhaps he could also have mentioned licences or those that are subject to a notice to quit rather than the more strict section 21 notice or court procedure. I agree with his analysis on that point. There are a wide range of tenancies that could have been encompassed within the clause but are not. I suspect that his analysis is right: that that is because of the sheer difficulty of juggling all the different potential tenancies. Look at the different Acts that we have to deal with, and that he had to deal with when in practice: the 1980, 1985, 1988 and 1996 Acts, all with varying levels and layers of interplay. I suspect that is why we find clause 1 drafted as it is.

I agree, to that extent, that as drafted and certainly as amended, the clause does not encompass a wide range of different forms of tenancy, especially those less secure. I will come back to section 8 and its interplay with section 21. However, I take issue with the hon. Gentleman and other Opposition Members on criticising and being too antagonistic towards no-fault notices and that regime. I agree that it is desirable to have as long-form tenancies as possible and I was heartened by the Minister’s submission that confirmed that the average tenancy is four years. The Minister is nodding, so I heard that correctly.

Of course, that is not the whole picture but four years is a significant period. My concern, if no-fault tenancies are simply swept aside or undermined, is that landlords and potential landlords will be put off purchasing and letting out properties, so we would be in a worse position. That is a concern that the hon. Member for Hammersmith and his colleagues should look out for if they seek to undermine no-fault tenancies and those who are, on the whole, perfectly good, decent landlords, as we heard

this morning. I will pick up later the points the hon. Gentleman raised on finances and his self-professed pessimistic view on life. I will encourage him to have a slightly rosier view by the time my speech finishes. Whether I succeed is another story. I see he is busy looking at his papers.

I start with sounding alarm bells on what the Minister mentioned in relation to finance of further potential burdens on local authorities. I mentioned earlier that I had had meetings with East Dorset District Council. My constituency covers three local authorities—East Dorset, Purbeck and Poole—and each will be concerned about additional burdens if additional resources do not match them.

I want to come back to finances but I was heartened by the reassurance that, if there are to be further amendments—as we understand there will be on Report—there will be an opportunity for additional funding. I simply ask that the Minister, as he has done at this stage, gives an early indication when the new clause is considered on Report of the level of funding he assesses as necessary.

I support the principle of clause 1 but my concern relates to notices given under section 8 of the Housing Act 1988. Although amendment 17 looks like it offers a neat proposal, in fact it sweeps away any reference to a valid notice being given under section 8. The Minister began to give an explanation of why notices given under section 8 are to be swept away, but I fear he did not give us as complete an answer as he may or should have done.

Section 8 notices are important. As the hon. Member for Hammersmith noted, section 21 notices are no-fault notices, whereas section 8 notices are given where there has been fault, where there has been a breach of a tenancy agreement. Section 8 notices are divided into two parts: mandatory and discretionary. If an allegation that a tenant has breached a mandatory obligation is proved, a judge as of right will give a possession order. That is the mandatory part of the notices given under section 8. If it is an allegation under the discretionary part, there is discretion as to whether a judge would make an order for possession. I therefore fear that throwing all section 8 notices out might not have been as wise a move as it looked, because what section 8 and section 21 notices have in common—at least partly—is that they may inevitably lead to a possession order.

Although I note the reasons that the Minister gave for keeping section 21 notices in—they are mandatory, and it is all but likely that they will lead to a possession order in any event—those reasons also apply to the mandatory part of notices given under section 8. Take arrears of rent: if there are two months’ worth of arrears, both when the notice is issued and when the matter arrives at court, a possession order is mandatory, as it is in a no-fault procedure in relation to section 21.

However, I take on board what the hon. Member for Hammersmith said: there might still be a dispute about whether the correct notice has been given under section 21. I have stopped practising—I understand he has, too—but since October 2015, there has been a new regime for section 21 notices. They now have to be done on a mandatory form, whereas under the old system, when I was practising, there was no prescribed form for what a section 21 notice looked like.

[Michael Tomlinson]

I fear that throwing out all section 8 notices narrows things down too much, which is potentially unhelpful for those who inevitably will end up homeless. That is the thrust of clause 1 and why it has been devised: to help those who inevitably will end up homeless by inserting into section 175 of the Housing Act 1996 a change to the definition of homelessness. If it is inevitable that an individual—a tenant—will end up homeless, it is worth looking again at whether the mandatory parts of notices under section 8 should still fall into clause 1 as well.

We all want as many people helped as possible. I said I will come back to finance, but it is relevant in this instance as well. The more people who are helped earlier, the more it will help with the costs to them, local authorities, and housing associations or anyone who needs to take proceedings in court. It will also help in respect of the human cost. My understanding is that the clause's intention is to help people who are inevitably going to end up homeless, so I ask the Minister and my hon. Friend the Member for Harrow East, the Bill's promoter, to address this point: why have all section 8 notices been taken out, instead of retaining just the mandatory ones, where it is all but inevitable that a possession order will be granted?

I want to make a related point that shows the complexity of the Housing Acts. Perhaps at some stage a Government will be bold enough to look at a consolidation Bill—or perhaps not. Section 89 of the Housing Act 1980 is still in force. It relates to pleas of exceptional hardship, but that would only delay possession and not stop it. It is not a defence; it is only a mechanism to delay the inevitable. Even with that in place, it is still inevitable that people will be made homeless, and therefore help should be provided at the earliest opportunity.

**Mr Burrowes:** We are grateful for my hon. Friend's expertise on this issue. He has spoken about section 8, but section 7 is also not part of the amended clause, so should further consideration be given to including section 7?

**Michael Tomlinson:** May I clarify that my hon. Friend means section 7 of the Housing Act 1988?

**Mr Burrowes:** I do.

**Michael Tomlinson:** Section 7 is important, because it states whether possession is mandatory or discretionary. It refers to schedule 2 to the Act, which has 17 parts, the first eight of which list mandatory grounds for possession. The ninth to 17th grounds for possession are discretionary. Section 7 of the 1988 Act, which, if I understand correctly, is what my hon. Friend referred to, is what distinguishes between mandatory grounds and discretionary grounds. I can see he looks slightly puzzled, so perhaps he means something else. If he did mean section 7 of the 1988 Act, it gives effect to schedule 2 and a body of law. Part I of the schedule sets out the mandatory grounds and part II sets out the discretionary grounds. It effectively feeds into notices given and possession proceedings under section 8 of the 1988 Act.

3.15 pm

On the financial commitment, I welcome the Minister's announcement that if there are to be further amendments, they will be properly costed. I dispute what the hon. Member for Hammersmith, with his admittedly pessimistic view of life, said on finances. I will pick out one paragraph from the assumptions, which seem to be very modest. The first paragraph of the assumptions that the Minister circulated yesterday afternoon made a comparison with Wales, which saw a 28% increase in cases. Homelessness prevention is more embedded in England than Wales. Some 66% of help is via prevention in England, whereas the figure was 44% in Wales. That is important. The Minister said that the rise will not be as pronounced, and that a sensible assumption will be a 26% rise. There is a relatively small difference between a 28% increase and a 26% increase, but as prevention in England is already at 66%, as compared with 44% in Wales, the hon. Member for Hammersmith made a gloomy and overly pessimistic assessment. He is not smiling, so I have not given him the sunshine that I promised at the outset of my speech, but we can live in hope.

The funding announcement, which the Minister promised throughout our proceedings, is important. I welcome the announcement yesterday, but I press him to announce additional news on funding on Report, when the Bill eventually gets there.

**Helen Hayes (Dulwich and West Norwood) (Lab):** I would like to take this opportunity to comment on yesterday's long-awaited announcement of funding for the Bill. The first thing to say is that the lateness of the announcement combined with its lack of detail is somewhat at odds with the cross-party spirit in which the Bill is being brought forward. All members of the Committee want major reform of homelessness legislation, so that it has a transformative impact on homelessness, but Opposition Members have always been clear that the Bill's success will depend on the Government's commitment to resourcing the new burdens in the Bill realistically and properly.

I am concerned about several aspects of yesterday's announcement. I want to put those concerns on record, and I hope that the Minister will respond to them. First, the Government must publish more detail on the formula and the assumptions used to calculate the funding commitment. How does that commitment relate to local authorities' estimates of costs? The briefing states that it does relate to them, but does not say how. What are the assumed activities that it will fund?

A number of the Bill's clauses change the way that local authorities will work with applicants who find themselves homeless, but the funding announcement does not make explicit the nature of the activities that the money is expected to fund. The briefing talks about an increase in cases, but does not say how local authorities' activities will differ under the new prevention duty. It is based on the assumption that practice will change and that local authorities' workload will increase, but I am simply not sure how that detail has been worked through. How do the new activities that local authorities will undertake under the new prevention duty relate to an increase in applicants, who may come forward earlier in the process? How are those two dynamics flushed out in calculating the funding? How does the funding commitment

take into account regional variance in cost and, in particular, the much higher costs faced by London boroughs?

From what I can tell from the detail behind the announcement, there appears to be an assumption that most of the additional money will be spent on administration and officer costs, not costs related to, for example, supplementing somebody's rental payments in order to sustain their tenancy during a period in which they are working through a benefit sanction. We need to understand that, because local authorities need to understand how the funding can be applied practically, and whether it is enough to make the difference we want.

It is important that the Government publish the distribution of funding across the country, by local authority, as soon as possible. On the face of it, if the funding is evenly spread, which I do not think it will be, £300,000 will be allocated per council area. If that is the distribution, or if the distribution looks anything like that, that is of great concern to me. It is significantly less than the sum—possibly considerably more than £1 million—allocated to the London Borough of Southwark under the trailblazers programme. That sum was presumably what the Government believed Southwark needed to undertake that work as a trailblazer. We need to understand how the distribution will work across the country and how it will relate to local authorities' calculations about their additional costs.

Finally, it is of some concern that the Government's announcement shows funding for two years, but none at all for the third year. While the Bill is clearly intended to reduce costs and homelessness, the desperate shortage of genuinely affordable housing, in London in particular, and the need for other measures—such as, in my view, tenure reform of the private rented sector—to help to reduce homelessness, it is at least possible, if not probable, that the reduction in costs and homelessness will not be entirely achieved within the first two years.

Without a commitment to looking again at funding beyond the first two years, and to fund local authorities as needed beyond that period, this really does not look like a long-term commitment from the Government to sorting out homelessness; it looks like a headline announcement to tick a box that says that the Government have fulfilled their pledge to fund the new burdens in the Bill. I am concerned that, having received the announcement very late in the day, we are left without time to consult properly with local authorities at a detailed, fine-grain, local level, or to scrutinise properly the level of funding, what it will fund and how local authorities have worked that through. Without that, I am concerned that this funding commitment simply lacks credibility. I therefore ask the Minister to confirm the funding arrangements beyond the first two years, and to come back with the further detail I have requested.

The lateness of the announcement, combined with the announcement we will receive and further amendments to the Bill on Report, somewhat undermine effective scrutiny of the Bill. Scrutiny, particularly of a Bill that commands cross-party support, is about strengthening legislation and making it as good and effective as possible. It is an important process from which the Government have nothing to fear. I regret that we have received this information so late in the day that the Committee, members of which have such a significant amount and

depth of knowledge of homelessness and the process in the Bill, has not had the opportunity to scrutinise and debate it in greater depth. I therefore hope that the Minister will provide additional information as soon as possible, and that on Report we will have an opportunity to debate and scrutinise the clause with the benefit of further input from local authorities.

I represent two local authorities, Lambeth and Southwark, which are at the forefront of the intensification of the problem of homelessness. They are both under extreme pressure from the growth of homelessness in recent years, and are both doing the best they can on this significant set of challenges. Both authorities welcome the principle and intention behind the Bill, but they cannot be expected to work miracles. They need the Government to put the resources into officer time, and the funding necessary to mitigate and prevent homelessness properly within existing arrangements; into the provision of more genuinely affordable housing; and, perhaps more importantly than anything else in the very short term, into the reform of the private rented sector, so that authorities do not feel the pressure of successive no-fault evictions under the section 21 process presenting at their door.

**Will Quince:** I support clause 1. Extending the period for those threatened with homelessness from 28 to 56 days is one of the Bill's core elements, and it will make the biggest difference.

I very much welcome the clear definition of tenants as homeless once a valid section 21 notice has expired. I have been one of the largest critics of local councils that routinely dish out the advice to stay in a property until the bailiffs arrive. I have had numerous people come to my constituency surgeries who have reached crisis. They went to the council at the first available opportunity, when they knew they were getting into difficulty—they were getting into rent arrears or had complex needs, as the Minister pointed out earlier, or problems such as relationship breakdown—and their landlord was looking to end the tenancy, but they were told at that point by the local authority, "Stay in the property. Come back to us when you're in crisis—the point at which the bailiffs are knocking on your door." I have raised concerns about that for numerous reasons. Apart from the financial pressure it puts on that family, there is a huge social cost to them as well. I have two young children, and I cannot imagine what that is like.

I had a call recently from a constituent who told me that the bailiffs were at the door, and because she would not let them in, they smashed the window and tried to encourage and coax the children to open the door while she was not looking. That will stay with those children forever. If local councils are giving out this advice, it is disgraceful.

**Mrs Flick Drummond** (Portsmouth South) (Con): Does my hon. Friend agree that that approach discourages landlords from taking in people who may be on benefits, which reduces the number of houses available to them?

**Will Quince:** My hon. Friend is right. The reputation of local housing authorities among landlords is, in my view, at an all-time low, because of the approach that those authorities are taking to section 21 notices—not

[Will Quince]

all of them; many are very good, but some take this approach, and it leads to terrible reputational damage among landlords.

For the first time in our nation's history, there are more private-sector lets than social lets. The role of the private sector is vital, but we may undermine that by the approach we take with local authorities. If I were a landlord, would I take someone who is on social security benefits, or recommended by the LHA? I do not know the answer to that, but if there were other options, I probably would take them. At the moment, because of a shortage of housing supply, and because of the demand, landlords have other options, hence we see rent increases. The advice to stay until the bailiff arrives is not good advice in nearly all instances.

3.30 pm

I hope that the Minister can give me a little comfort on a point of concern: I preferred clause 1 as originally drafted; I wholly understand that advice has been given, and that soundings were taken from the LGA, landlord groups and others, but an element of flexibility is important. I am quick to chastise any local authority that dishes out, willy-nilly, the advice to stay in the property until the bailiffs arrive, for all the reasons I just gave; I have mentioned children, but there is also the point that if someone gets into further rent arrears and the landlord has to take court proceedings, and a county court order is issued in the tenant's name—guess what? Local authorities do not have an abundance of social housing stock, and the result, ultimately, is that they rely more and more on putting people back into the private rented sector. What private landlord will take someone with a county court judgment against their name when there are other options? The answer is: very few will.

**Michelle Donelan:** Does my hon. Friend accept that failing to act early not only hinders our ability to combat homelessness but allows complex needs and problems to escalate over time? Many charities in my constituency have echoed the message to me that the quicker we act and the earlier we get in, the less those needs will escalate and develop. That will save the NHS, local authorities and other sectors money in the long run.

**Will Quince:** My hon. Friend is right to suggest that prevention is always better than cure, but there is also the question of rewarding the right kind of behaviour. We want to encourage people to come to us at the earliest possible opportunity, when they are not in crisis but can foresee a risk of homelessness. Then we can take the most appropriate action. She is right to say that at that early opportunity people have options, but when they reach a crisis they have few, and they are expensive.

To return to the point about which I am concerned, I hope that the Minister can give me comfort on the Government amendment, because this is important. As I have said, I am the first to chastise local authorities or housing authorities that routinely advise tenants to stay in the property, for all the reasons I gave—I recently met representatives of my local housing authority, and I have been a critic of it—but on occasion, that can be the right advice. A hypothetical example might be a local

authority that has no option but to rehouse a family out of area that week; it might work with the landlord, and say, “I understand why you have done what you have, that you would like them to leave, and that you have served the section 21 notice, but we are happy to cover the rent, if you are happy for the tenants to stay there for three more weeks, when we know there will be a more suitable property locally.” My concern—this is why I like the original wording—is that we should include conditions in which it could be considered reasonable to stay until the expiry of the possession order.

**Michael Tomlinson:** I invite my hon. Friend to look at my submission on section 8 notices. As he has acknowledged, section 21 notices are no-fault notices, and what he has described, rightly and properly, are cases where tenants have fallen into arrears of rent, which would ordinarily come under a notice served under section 8. If there are sufficient rent arrears, that is a mandatory ground, and therefore homelessness is inevitable, and the case should be caught by the clause. Does he agree?

**Will Quince:** I absolutely agree with my hon. Friend, who makes a valid point based on his experience and practice. I hope that the Minister will answer those points.

My hon. Friend the Member for Chippenham made a good point about emphasising early intervention. The clause encourages those at risk of homelessness to seek advice at the earliest opportunity, and I worry at the moment about the advice being given to local authorities. This advice disseminates quickly across local authority areas so people know that is being given out and it discourages them from going to the local authority. For example, first and foremost, they will often go to their Member of Parliament, the local council or a citizens advice bureau. If they say the likely advice from the council is this, they will be reluctant to take it. As my hon. Friend rightly said, the crisis point is far too late. We must intervene earlier, which will lead to far fewer people reaching a crisis.

Finally, I want to touch on funding. I was pleased about the funding announcement. As the hon. Member for Dulwich and West Norwood rightly pointed out, it would have been helpful to have it sooner, but nevertheless it was useful to have it before this sitting. I welcome the £48 million and, as I mentioned in an intervention on the hon. Member for Hammersmith, I was interested to read the LGA's response because, given the fact that it is a membership organisation representing local authorities across the country, I was expecting its response to be, “It's not enough money.” I expected that response whatever the sum was.

It is hugely to the credit of the Minister and the officials in his Department for using the methodology that the LGA concurs, rightly in my view, is the right one and hence why a rather bland statement does not question the amount of money. It would certainly be worthwhile to review it after two years. Nevertheless it was somewhat disappointing, given the reaction of the LGA, to hear the response from the hon. Members for Hammersmith and for Dulwich and West Norwood. There is no indication from the membership body of

local authorities—which, incidentally, will be the LHAs implementing the Bill—to suggest that the funding is not sufficient.

**Mr Burrowes:** Good authorities are already, before the legislation is in place, fulfilling the mandate to do a lot of prevention, so they will welcome the fact that they will now have a lot more money than before.

**Will Quince:** My hon. Friend makes an important point. He is right to suggest that good local authorities up and down the country are already doing a lot of this work, which eats into other budgets, so for them this is very valuable. We know there will be a transition, training requirements and a cultural change within organisations. LHAs—I spoke to my LHA only last week on this very point—do not want just to implement the Bill in full; they want to do it well. They want to make sure it works and they want emphasis and focus on prevention.

I very much support the clause, but I would like some reassurance from the Minister that there will still be flexibility in the advice, particularly in relation to ending a tenancy via a section 21 notice.

**David Mackintosh:** I share some of the concerns that have been raised about the timing by the hon. Member for Dulwich and West Norwood and my hon. Friend the Member for Colchester. I also share my hon. Friend's view that the LGA has put forward a much more positive response than anticipated. I agree that there should be a review of the funding formula going forward and I also agree with some of the comments by my colleague on the Select Committee on Communities and Local Government, the hon. Member for Dulwich and West Norwood, that the Bill alone will not solve some of the homelessness issues. The Select Committee recently had evidence sessions with the Director General, Housing and Planning, and questioned her on some of these issues. She rightly pointed out, as I am sure will the Minister, that the Government are planning to publish very soon a White Paper on housing, which may address some of the issues that my colleague on the Select Committee raised. They are valid points, but will not necessarily be addressed in the Bill.

Moving on to the amendments, I am pleased that they have been raised. They help to prevent some unintended consequences. For example, amendment 16 will help to prevent the trauma of people and families being forced to wait for a local authority to get involved and a bailiff to knock at the door, as outlined by my hon. Friend the Member for Colchester. In my experience, the sooner a council can start helping, the more help can be offered without a long-term effect on people's wellbeing or credit rating because of county court judgments. We have heard about that throughout our discussions.

I worry about the effects that we see under the current rules, including tenants being served with eviction notices. I am sure that all hon. Members have dealt with families who have contacted them when faced with eviction, which often comes out of the blue, and as well as the practical challenges there is also huge trauma for people to deal with. They face having to leave their home and often their community or social support networks, perhaps

without much notice, and then they face being told by the council that they cannot be helped until they have been physically evicted.

Therefore, I am pleased that amendment 17 allows those households that have received an eviction notice, even if it has not expired, to be treated as “threatened with homelessness”, thereby coming under the duty on local authorities to prevent the household from becoming homeless, as we discussed at length when we considered clause 4. This is a really positive step forwards that will make a huge difference in the future to people facing eviction.

As for the rest of the clause, when the Communities and Local Government Committee started looking into homelessness, we developed a clear idea of things that could be done to help to prevent homelessness. Indeed, other work that has been done by the all-party group on ending homelessness has also fed into the hopes and aspirations that the law will be changed.

However, I must confess that things have moved much faster than I had imagined and we now look forward to this Bill becoming law—hopefully. The Bill being chosen by my hon. Friend the Member for Harrow East has propelled this agenda forward so much quicker than we could have hoped. I am grateful that that is happening, but I also have some questions for the Minister about how the Bill can be implemented, which I hope he can address in his response.

How can local authorities cope with this sudden change in legislation when the Bill becomes law, as anticipated? What lessons can we learn from the changes implemented in Wales and what detailed measures are being put in place to ensure that that best practice is spread as far and wide as possible? How fast can training be put in place, not only for local authority staff but for other staff in the public sector, so that they can properly understand these big changes in the legislation and any new responsibilities they might have to refer people at risk of becoming homeless? Also, I urge the Minister to talk to his counterparts in other Government Departments, to make sure that they are aware of these changes and that that knowledge filters down through them.

**Michael Tomlinson:** I note my hon. Friend's comments and he has confined them specifically to section 21. I hope that he heard my suggestion about section 8 notices; it may be that there is some policy reason why it cannot be done. However, does he agree that this issue should at least be looked at again, to check that for the mandatory grounds—where possession of a property is all but inevitable—there is a good reason why those section 8 notices should not be brought back in relation to clause 1?

**David Mackintosh:** I am grateful to my hon. Friend for raising this issue and I did indeed hear the argument he made so eloquently earlier. I am sure that the Minister and his officials also heard it, and that this issue will be looked at properly before we move forward. It is important that we consider all the options available. We have spent a lot of time in Committee debating matters, but I know the Minister is still considering some of those ideas.

As for this clause, I strongly welcome the relative speed at which things have developed, from the Select Committee inquiry to—I hope—a change in the law,

[David Mackintosh]

and I look forward to hearing the Minister's update on how he can consider implementing in the future some of the changes that we have discussed.

**Mr Burrowes:** This clause goes to the heart of the concern that led to this Bill, namely the reality that the Select Committee and others have identified, which is that the termination of assured shorthold tenancies has become the single biggest cause of homelessness. While we can talk about the issue of the supply of affordable homes, we must go to the heart of this problem and this clause seeks to do so, in a more flexible way than other measures.

I will just talk about where support can come from and where it can feed into the issue of the supply of affordable rented homes. The Select Committee itself drew attention to the response of the National Landlords Association to the draft Bill. The association said:

"There are numerous reasons why a landlord might be reluctant to let their property to such households, but in the NLA's experience they can generally be summarised as 'risk'".

Clause 1, as amended, will provide a positive move to reduce the risk to which landlords are exposed, therefore increasing their confidence in letting to vulnerable tenants. In my borough, and no doubt in other boroughs as well, the supply of homes available for rent to those on benefits, and particularly to those who are homeless, is decreasing. Unless there is supply, we will struggle to fulfil all our ambitions for the Bill. The amendments will help.

3.45 pm

It is important to consider the knock-on effects. As well as ensuring that there are appropriate trigger points for providing preventive advice and support, we must also consider how to provide confidence in the whole sector. That is why I pay tribute to my hon. Friend the Member for Harrow East and the Minister for their great efforts to build not just a cross-party coalition but, perhaps even more significantly, a coalition of the willing among those involved in the sector, including landlords and charities, and those who need to be involved. That has an impact on our consideration of the Bill here and in the other place.

The amendments to clause 1 are welcome. In that context, I want to pick up on the helpful speech made by my hon. Friend the Member for Mid Dorset and North Poole, with his expertise on issues that I, coming from the criminal field of law, have not had much to do with. Plainly, the biggest risks are tenants who do not pay, who are antisocial or who damage property, all of which are grounds for section 8 evictions, as I understand it. The households that we are dealing with can often—not always—be chaotic, with vulnerability issues including mental health that can lead, for example, to property damage. They may have problems paying rent; there may be allegations of antisocial behaviour. All those issues and factors may come into play when a landlord seeks eviction via section 8, which I understand can happen at any time during the fixed term, as opposed to a section 21 notice, which is based on the time period rather than being triggered by those grounds.

Section 8 is relevant to the households that we are dealing with, so I look forward to hearing from the Minister in relation to its absence from the revised

clause. I also suggest that if dealt with carefully within an amended clause 1, it could also give confidence to landlords and reduce risk.

**Michael Tomlinson:** I am grateful to my hon. Friend for his support on this. If there is a substantive reason why section 8 should not form part of clause 1, so be it, but he raises an important example. He mentioned antisocial behaviour, which in fact will fall within the discretionary grounds that are often relied on alongside a lesser outstanding rent. Where two months' rent or more is outstanding both at the time of the service of the notice and the time of arriving in court, that falls under the mandatory grounds. It is worth looking at it in the round.

**Mr Burrowes:** Yes, and I look forward to hearing the Minister do that for us. Plainly, the essence of clause 1 is to prevent various local authorities, advice centres and indeed Members of Parliament from being complicit in a failed system by saying simply, "Sorry, nothing can happen until the bailiffs knock on the door." We are dealing then with crisis management rather than with any kind of prevention. The trigger is the important element. Amendments 16 and 17 seek to change the trigger from an expiry notice under section 21 to the serving of the notice. I know that that has been particularly asked for and welcomed by the Association of Housing Advice Services, which has wanted to ensure early opportunities for prevention.

It is also worth recognising that there are some noises off. Not everyone agrees, as my hon. Friend the Member for Harrow East will know. Indeed, such noises off have come his way—and the Select Committee's way—from his local council. Harrow Council says:

"If applicants are to be considered as homeless as soon as they receive a notice, then local authorities are not going to be able to prevent homelessness...There are at least 14 reasons why a s.21 notice can be invalid and homelessness can be prevented even after a court order using the legal processes and negotiations with a landlord."

That draws on some of the concerns about the question of a valid notice. The word "valid" was also in clause 1 as originally drafted. No doubt the advice of lawyers and others says that one has to have that word and notices have to be valid. I would nevertheless be interested to hear from my hon. Friend, because his council has expressed concern that notices can be used in a lot of ways.

I understand that notices now cannot simply be used for administrative expediency. There was a time when section 21s were served pretty much when the landlord arrived at the door, as a way of covering all bases. I understand that that has not been allowed since October 2015, but a landlord may try it on, so it is worth ensuring that that bad practice is not allowed, that landlords do not abuse the essence of this trigger and that the notice has proper validity, if I can use that word, and applies genuinely. Section 21 notices have a wide application. Obviously, such a notice being served does not necessarily mean that there is a danger of homelessness, but they will allow the prevention duties to be put in place.

I also want to highlight some of the caution expressed by Crisis, which has been involved in the Bill from an early stage. I understand that Crisis had reservations



about amending clause 1. In its briefing note—this draws out the comments made by my hon. Friend the Member for Colchester about his campaign against a crisis-management approach on receipt of a bailiff notice—it says that the removal of clause 1(2) will preserve

“the status quo—meaning that local authorities should follow the existing Code of Guidance which clearly states that households should be considered homeless if they approach the local authority with an expired section 21 notice.”

The amendments will therefore perhaps leave the door open for local authorities not to follow good practice and for people who are considered homeless being put back in that situation. We need to nail that down and ensure that all authorities are signed up to and delivering on the codes of guidance, empowered by their statutory form, as well as revised clause 1.

On funding, it is worth giving the Minister and the Government a little more encouragement and support. Frankly, without the Bill—I pay tribute to my hon. Friend the Member for Harrow East—we would not have got the extra £48 million, which we should really welcome; it is a significant amount of money. As we have all said from the very beginning, the Bill will not solve homelessness on its own, but it is an important tool in the box and encourages the good practice that is out there to be spread among councils. As I said earlier, good councils will welcome the incentive to do more of what they have been doing with existing funding, and the councils that are not doing anything will be encouraged with a carrot and stick approach. The Minister will no doubt use his codes of practice tool as well as some carrots, including funding, to say, “Get on and do what we all say should happen.”

There should be broad agreement for the additional money, which is welcome, but I recognise the context in which the funding is provided—the LHA freeze and the benefits cap implications. I represent a London constituency that has a deprivation profile that is going in the wrong direction and does not fit in with what we await as a new fairer funding formula. We are going in the wrong direction in being able to catch up with the demands on our borough, not least given the lack of affordable housing. I recognise that context, but the funding should be broadly welcomed none the less.

A lot of figures expressing doom and gloom and fear around the funding implications of the duties in the Bill were thrown around on Second Reading, which I think was based on a reading of an old draft Bill rather than the new position. My local authority joined in with that. It is important for local authorities to be up to speed and to recognise that the Bill’s methodology is far removed from that in the Select Committee report, which was based on Bedford Borough Council’s methodology. That council said itself that:

“Using a simple extrapolation model based on the Council’s existing footfall and the range of tools currently available to the Council to prevent and relieve homelessness, the Council would see a tripling of its costs incurred in discharging the duties under the draft bill. This would see an additional £1 million of cost to the Council.”

Unless councils were looking at this carefully, they were making assumptions on funding, such as Bedford saying staffing levels would need to increase by 50%, or the Royal Borough of Kensington and Chelsea estimating that it would cost £1.22 million to comply with the new

duty to assess and £2.37 million for the duty to help secure accommodation. I know time has been short since the ministerial statement, but it is important that local authorities look at the current funding in the context of the Government’s methodology, rather than relying on their simple extrapolation model.

**Michael Tomlinson:** Was my hon. Friend as reassured as I that the Government looked at funding compared with Wales, which already has similar legislation, and made assumptions on that basis? These are significant figures that are based on fact, rather than, dare I say it, just plucking out figures that sound rather inflated.

**Mr Burrowes:** Yes, and those costs were the exact homelessness spends by local authorities taken from the data submitted by local authorities on PIE forms that are used for the Government’s homelessness statistics. Research by Shelter and Acclaim also helped to inform the costs of prevention actions and of an acceptance. That, together with recognising that there are no doubt differential costs from area to area, is an important part of the reflection in the formula.

On the assumptions, I take issue with the shadow Minister, who took a very gloomy view. He cannot have it both ways. I still expect that there is cross-party support for the principle of the Bill and the fact that it will improve prevention, advice and support for those threatened with homelessness across the country. We cannot sign up to that, but say that is not going to have any effect. It is bound to have an effect over the number of years.

The Government’s assumption is that they will not simply go along in a simplistic way, as they perhaps could have done. Wales saw a 69% decrease in homelessness acceptances in the first year of having its legislation, although I recognise that there are differences in housing supply. We are going to get somewhere near that. The assumption is that there will be a 30% decrease in homelessness acceptances over three years. If the Bill has not led to a 30% decrease in homelessness acceptances in a three-year period, we will be really disappointed. We will not have done a proper job in passing a Bill that is fit for purpose and achieves that. Aside from the funding issue, if it has not practically done that there will be some serious questions to answer.

If there is not a review by the Government, no doubt the Select Committee will be asking some serious questions. If it does not achieve that, why not? It certainly should not come from a lack of funding, so we need to ensure that that is in place. The Government’s other assumption is that Wales saw a 28% increase in costs, so the sensible assumption for England is a 26% increase. That is a fairly reasonable assumption to make.

4 pm

The issue that really matters is the cost impact on officers. I take the point from the hon. Member for Dulwich and West Norwood that there are other costs as well as staffing costs, but at the very least we should get staffing costs right. There is a wider funding issue in local government that needs to be integrated better. On the specific issue of staffing costs, the inclusion of a 10% uplift in review costs is significant. I have recounted one or two examples from my constituency in this

Committee. Officers are hard-pressed, but sometimes these cases—some of which are quite complicated, both factually and legally—require a senior officer to be involved, particularly now, with the duty to review. The funding settlement includes a 10% uplift in review costs, to reflect that senior case officers have to carry out reviews in certain circumstances. That needs to be looked at carefully and may well need to be increased over time. Those are reasonable assumptions.

The comments of the LGA are welcome. There is broad approval for where we have got to, but it also makes the point about a review. I recognise that the Minister has worked very hard to get cross-Government commitments on the Bill and on funding. That is no easy task in these challenging times, but plainly he cannot make too many commitments beyond the spending review. I do not think any Minister could come before a Committee and make a commitment beyond a spending review. Understandably, he has factored in offsetting the savings coming through the reduction in homelessness, which is welcome. That is realistic, and if the reduction is not achieved, we will not have achieved the real purpose of the Bill. That is important.

A 30% decrease in homelessness acceptances over three years is a reasonable ambition. I expect that two years after the Bill is implemented, it will be appropriate to have a review, to see where we have got to and ensure that things change if we have not reached that aim. Frankly, as my hon. Friend the Member for Northampton South said, it has been quite rapid to get to this stage. There will be lessons to learn in that period in terms of not only funding but legislation. I would welcome the Minister considering seriously a review two years after implementation, which would take us beyond the spending review period. We can then learn lots of lessons from what will be, for authorities that have been behind the curve, a really challenging piece of legislation, but one that is so vital for the vulnerable. The Minister might like to consider that.

**Mrs Drummond** *rose*—

**The Chair:** Before I call Flick Drummond, may I say that the hon. Member for Enfield, Southgate has just spoken for 20 minutes? He did not rise in his place at the beginning of the debate, and it is quite difficult to run things unless one has an idea of where things are going.

This will probably appeal to Opposition Members. I will make a Chairman's trade union point, which is to limit the amount of time the Chair can sit without having a comfort break. We have now been debating this clause for three minutes short of two hours and sitting for more than two hours. I thought we might finish at about quarter past 4 o'clock, but if not, it is my intention to have a comfort break. It does not seem as though people want to truncate their remarks. I cannot control the way in which this runs. Would the Committee like to have a comfort break now?

**Mrs Drummond:** Unfortunately, I have to leave at 4.15 pm because I am speaking somewhere else. I am happy to withdraw my contributions.

**The Chair:** I am very grateful. It is difficult if Members speak and do not have a chance to listen to the Minister's response. In the light of that, will we finish by about quarter past 4 o'clock?

**Hon. Members:** No.

**The Chair:** The sitting is suspended for 15 minutes.

4.4 pm

*Sitting suspended.*

4.20 pm

*On resuming—*

**The Chair:** I hope everybody is feeling suitably refreshed. For the avoidance of doubt, this Committee can go on sitting beyond the time that the House rises, so do not feel constrained, but I think it is reasonable that we take a break every now and again.

**Bob Blackman** (Harrow East) (Con): Thank you for the comfort break, Mr Chope. I think Members on both sides of the Committee were ready for it.

As has been said, the Minister's amendments have been the subject of something of a rollercoaster ride during the deliberations on the draft Bill and the Bill itself. Clause 1 in the original draft Bill was very different from the clause in the draft Bill that was eventually presented to the Select Committee. It was then changed substantially after discussion with the Minister and officials, and we ended up with the Bill that was passed on Second Reading. At that point, many concerns were raised by a large number of groups about clause 1 in particular. I thank all those who came along to see me, particularly towards the end of last year, to discuss the clause. They expressed their concerns and were willing to engage constructively, which enabled us to reach a solution that is acceptable to everyone. They include the National Landlords Association, the Residential Landlords Association, the local government sector—the LGA, London Councils and other local authorities—and homelessness charities including Crisis, Shelter and St Mungo's.

The process has not been easy. The hon. Member for Hammersmith alluded to that in attempting to gain advice about how to propose amendments that achieve his aims. Given the various different organisations' requirements, ensuring that we got something that works for everyone has been like squaring a circle.

At times, some of those groups' interests appeared to me—and, it is fair to say, to the Minister and officials—to be almost irreconcilable. Local authorities said that they want clarity regarding their flexibility to try to save tenancies at risk and to facilitate moves into alternative settled accommodation directly from tenancies that are ending. That is essential if we are going to ensure that they prevent homelessness in as many cases as possible. Landlords and charities were concerned that applicants must receive proactive help so landlords and tenants do not face unnecessary costs and tenants avoid the distressing experience of eviction. It is the custom and practice of many local authorities up and down the country—particularly in London—when they are approached by individuals or families who are threatened with homelessness through a section 21 notice to say, "Go home, wait until the bailiffs arrive and then come to see us. Then we will try to resolve your problem." As has been alluded to by my hon. Friend the Member for Colchester, one of the key concerns in such cases is that landlords incur court

and bailiff costs, and the tenants incur costs and end up with county court judgments against them. In many cases, that also overloads—unnecessarily—the justice sector. We therefore have a real dilemma.

The concern expressed right from the start was that in many ways clause 1, without amendment, enshrines many of those bad practices. That was never the intention—it certainly was not my intention as promoter of the Bill. In this process we have therefore tried to ensure that we keep at the centre of our consideration the needs of those who the Bill will affect most: the people who are at risk of losing their home or those who have lost their home.

We have had the wide-ranging involvement of various groups affected by the Bill, in-depth discussions and consideration of potential impacts in order to determine a way forward. It is fair to say that we have looked at all sorts of ways to amend the clause to make it work in the Bill, and we have concluded that that is not the most practical way forward. The amendments tabled by the Minister offer a practical and achievable solution that I hope we can all support and which will be welcomed right across the sector.

Crisis made two points in its briefing that I will refer to. It supports the decision to remove clause 1(2) entirely, to preserve the status quo, which means that local authorities should follow the existing code of guidance that clearly states that households should be considered homeless if they approach the local authority with an expired section 21 notice. Under amendment 17, a household that approaches the local authority with an eviction notice that has yet to expire will automatically be considered to be threatened with homelessness. That will require local authorities to accept a duty to prevent the household from becoming homeless in the first place.

That is a vital aspect of the Bill. The intention in extending the timeframe in which a family or individuals can apply to their local authority for assistance is to ensure that the local authority and the applicants use that time as effectively as possible to prevent a family or individuals from becoming homeless. The risk we have with clause 1 without amendment is that some local authorities—I will not single any out—notwithstanding the fact that they could intervene, would not do so until such time as the family or individuals became homeless.

**Michelle Donelan:** Does my hon. Friend acknowledge that the amendment will simplify the Bill? The initial feedback was that the Bill was far too complicated, and we are now working towards a more simplified Bill that will be easier to roll out.

**Bob Blackman:** Simplifying Bills is always good news. One of the things we originally set out to do was provide detail where required but simplify processes wherever possible. It is fair to say—I ask the Minister when he responds to the debate to make this clear—that we will look at operation in practice. If local authorities are not following both the letter and the spirit of the law, in any code of practice we introduce we will ensure that there are appropriate measures to enforce that, to ensure that local authorities do honour their duties on the concerns rightly raised throughout the Committee.

4.30 pm

As I said, the London councils welcome this provision as providing clarity about when a local authority should consider a person to be homeless or threatened with homelessness. They support the intentions of the clause. The hon. Member for Dulwich and West Norwood spoke about the boroughs that she represents. She will know well that the London Borough of Lambeth deals with more homelessness applications than the whole of Wales. I will talk about operation and the costs in a few minutes, but one concern is that when we are looking at evidence from what has happened in Wales, it is often very difficult to say how something will operate here compared with Wales, because if we extrapolate from that, things are on a much bigger scale, which we must all recognise.

The clause, as amended, will retain the change of extending the period in which a person is threatened with homelessness from 28 to 56 days. That is clearly vital to creating a longer opportunity for the local authority and the household to prevent their homelessness. It has been widely welcomed—indeed, it has been welcomed by everyone involved. Everyone recognises that early intervention is far better than trying to cure the problem after it has happened. That has broad scope; everyone agrees with it.

I think that the hon. Member for Hammersmith mentioned that the prime reason why many households find themselves homeless is the end of a private sector tenancy. According to the last figures that I saw, some 41% of homelessness applications arise as a result of that. It is the main trigger for a statutory homelessness acceptance. This provision will help to ensure that more of those who are at risk of becoming homeless will receive the right support at the right time and, we hope, an offer of accommodation before the end of the tenancy so that the household can move seamlessly from one property to another without becoming homeless at all.

**Michael Tomlinson:** My hon. Friend has mentioned private landlords, but he has not as yet mentioned section 8, which of course does not come within the terms of our discussion. I fear that I am pressing this too hard, but I would welcome his explanation as to why a scaled-down version of the original drafting could not be acceptable to all sides. This is obviously a balancing act: we need to cater for landlords as well as tenants. I am completely aware of that, but can he envisage a situation in which a scaled-down version of the original drafting, which just narrowed the scope to the mandatory provisions under a section 8 notice, would be acceptable to all sides?

**Bob Blackman:** I noted during my hon. Friend's excellent contribution earlier his very detailed knowledge of the technical issues of housing law.

In the various meetings, we considered the different aspects of section 21 and section 8 and whether we could reach a compromise that would satisfy all parties. The drawback, if we set out all the procedures—almost a flow chart—in the Bill, is that unfortunately we cannot address every single reason why someone becomes homeless; we cannot set out every position in relation to section 8 or section 21 notices. Obviously, what we want to do is to make it clear that the position will be that on receipt

[*Bob Blackman*]

of a valid section 21 notice or, indeed, section 8 notice, the local authority will treat that as a means of starting the process of combating the threat of homelessness. That is the clear message that I want to impart as promoter of the Bill. We do not want landlords to have to go off and wait and go through a lengthy legal process, which is of no benefit to them or the tenants and, in the long run, costs the local authority substantial amounts of money when it has to put a homeless family who are in priority need into temporary accommodation. This is one of the issues that we looked at in considerable detail. I will not go on too much about this issue and the various discussions that we had. What I can say to my hon. Friend is that we looked at this in detail and concluded that the way to reach a compromise was to accept the Minister's amendments.

A planned amendment to clause 4 will also ensure greater continuity of help between the prevention and relief duties for households during the eviction process, if such a process follows. I hope that we never get to families being evicted but recognise that we cannot solve all those problems in one go.

I welcome the commitment to provide stronger encouragement for people to engage early through the forms used in the section 21 process and the "How to Rent" guide that the Department has published.

The intention is to recognise that prevention is vital to tackling homelessness. The earlier someone gets help, the less likely they are to end up in crisis. The clause works with the rest of the Bill, which should be seen as an entire package, and with current legislation in placing more emphasis on prevention, encouraging people to seek help at an early stage.

**Michelle Donelan:** While we continue to discuss the clause, I want to stress that it is not only large charities and organisation that have called for and welcomed the extension to 56 days. Charities in my constituency, such as Doorway, which does a great deal of work on homelessness in the Chippenham area, are delighted and have stressed how vital it is to deal with homelessness at the root and try to prevent it in future.

**Bob Blackman:** I acknowledge that local charities are doing brilliant work to combat homelessness. During my discussions on the Bill I have dealt mainly with national charities and some local ones which I visited. All hon. Members will be aware of the local charities that do excellent work, which is why I believe these measures are universally welcomed.

It is not logical that someone in a private sector tenancy who receives a section 21 notice or encounters the threat of homelessness should have to wait until the final 28 days before they will be on the streets. Ensuring that the clause extends that period, with a duty owed by the local authority, must be sensible to help prevent them from becoming homeless.

I trust that the provision will help increase the number of successful preventions carried out by local housing authorities. In the long term that reduces costs for them and, most importantly, the trauma experienced by vulnerable people and households.

There may be instances where the 56-day prevention duty does not work and ends, though the household is not technically homeless, as the local authority finds it reasonable for the household to continue to occupy the property. That could mean that the relief duty does not begin, potentially leaving the household without support. We clearly want to get to the position covered by clause 4 so that, in those circumstances, the prevention duty will run on until the time the relief duty begins. I was delighted that my hon. Friend the Minister mentioned that in his opening remarks.

Mr Chope, you directed that we should look at costs in this part of our consideration. I welcome the Government's announcement of £48 million and their commitment, under the new burdens doctrine, to fund all the new costs that will result from the Bill. We have already mentioned that there will be amendments to clause 7 on Report. We have already had a debate about that; I will not reopen it. There will be a further amendment to clause 4 and, after further discussions, we might consider amendments to clause 12 as well.

The hon. Member for Dulwich and West Norwood was critical, not unfairly, of the timing of the release of the money. The Government have considered our detailed discussions of the Bill and its amendments because there are cost implications. It is not fair if we end up with a running budget in Committee. We have made substantial changes and it is fair to say that the proposed changes to clause 7 would lead to additional costs for local authorities. However, I hope that if there are additional costs, the Minister will commit to their being picked up as originally envisaged under the new burdens doctrine.

The LGA and London Councils have welcomed the money that will be available. I note the concerns of the hon. Members for Hammersmith and for Dulwich and West Norwood about whether the money will be enough. Clearly, none of us is in a position to say without fear or favour that the money will be sufficient. We will have to see how the new legislation operates. It is part of a package.

I have been clear from the word go that the Bill, if enacted, will not produce one more property or one more home. I look forward to the publication of the White Paper—hopefully very soon—which will set out the Government's method for ensuring we develop more housing. One way to ensure people are not homeless is to provide more housing in the first place. There is a shortage of accommodation in almost every part of the country, and London has particular pressures, as those of us who are London MPs know. Clearly, that will have to be addressed.

Equally, how the funding is provided needs to be considered: £35.4 million in the first year, £12.1 million in the second year and zero in the third year. I have concerns about that. Will we have solved the homelessness problem in this country after three years? As an eternal optimist, I hope we will have done. I did not mention this too much when we talked about the title of the Bill, but the original title was the homelessness prevention Bill. However, I was warned by our Clerk's predecessor that that would mean it would be illegal for an individual to be homeless, so we should be careful what we attempt to achieve.

As the hon. Member for Hammersmith said, some £633 million in 2014-15 was spent by London councils on temporary accommodation. If we can reduce that

burden by a relatively small amount, that will pay for the prevention duty. I am minded of the fact that London authorities in particular have embarked on large amounts of efforts to combat homelessness through prevention duties, and that is welcome. However, there is clearly going to be a need to review the funding and review how this works.

4.45 pm

The Chairman of the Communities and Local Government Committee, who is not in his place at the moment, asked that we have a review through the Select Committee. I think that is appropriate—we will have more data from Wales and data from when, hopefully, this Bill becomes an Act—so that we can consider the additional costs and burdens that local authorities have experienced, and so that we can conclude whether more money is required or greater efficiency needs to be applied.

I thank hon. Members for their contributions during this particular part of the debate. I have mentioned the hon. Members for Dulwich and West Norwood and for Hammersmith, and my hon. Friend the Member for Mid Dorset and North Poole. My hon. Friend the Member for Colchester rightly raised a number of issues and almost put in a nutshell some of the conversations that we have had with the various different groupings of landlords and charities.

Equally, my hon. Friend the Member for Enfield, Southgate talked about the risks of the reluctance of various landlords, and considered meetings such as those I had with my own local authority, Harrow Council, and others. They raised concerns about the cost of the Bill; indeed, on Second Reading we had concerns about the cost of the Bill. We have amended the Bill substantially from the original draft. I am afraid that is how a lot of the briefing for local authorities has been conducted—it was not necessarily on the most up-to-date version of the Bill. I was able to reassure local authorities, and Harrow Council in particular, of what was actually in the Bill compared with what was in the original draft. I think that satisfied many of their concerns, but I recognise that local authorities will be thinking about how they set out what they do. The hon. Member for Dulwich and West Norwood rightly referred to the fact that it is not just about recruiting new staff and training; it can be, for example, agreeing to fund rental costs for a period of time to prevent homelessness or providing deposits, which are often a major obstacle to people gaining a proper home for their family in an appropriate area. I do not want to see local authorities' ability to use creative means to prevent homelessness stifled, but I want them to take seriously that homelessness is their responsibility, as it is to provide help, advice and assistance.

We have also considered that this is money being given by DCLG for local authorities to control. Other considerations, such as the duty to refer, should not have a huge cost to other public bodies. Clearly, as the local authorities build up local partnerships, there are savings to be made, but there may be costs in order to achieve those particular savings.

Although I welcome the finances that the Government have allocated for the Bill—those are always welcome—I trust that we are going to get additional funds for any additional burdens that result from amendments that the Minister, or other Members, may table on Report.

That means that local authorities can, by the time we get to the Bill's enactment, know with certainty what funding they are going to get, and that we will review that funding within three years to make sure that they are making the savings, being efficient and effective and reducing homelessness in its own right. In conclusion, I support the amendments.

**Mr Jones:** I want to respond to some of the points made during this debate. The hon. Member for Hammersmith mentioned local authorities having to judge whether section 21 notices are valid. I agree entirely that it is a complex issue, but I make the point to him that dealing with section 21 notices is already a regular part of local housing authorities' work and is the subject of specific parts of the homelessness code of guidance. We will look again at the code of guidance in the context of clause 1 and update it accordingly. A number of other points were raised about operational issues. We will have advisers going to local authorities, and they will be able to give guidance on those issues.

The hon. Gentleman also mentioned a number of impacts on welfare. We have debated them previously, and I have explained the additional £870 million that will be available for short-term issues through discretionary housing payments, and the repurposing of 30% of the potential savings from the local housing allowance, which will go back into supporting high-value areas.

**Ms Karen Buck (Westminster North) (Lab):** Will the Minister confirm that those contributions must be seen in the context of the £2.7 billion that has been taken away from housing support for this year alone, as the Library briefing of last week confirmed?

**Mr Jones:** It is clear that welfare changes are being made—I do not deny that. However, those mechanisms are there to try to help people with shorter-term issues so that they can deal with things as they go forward. That money from local housing allowance rate savings will help people in the highest-cost areas.

The hon. Member for Hammersmith also mentioned housing supply. I will not go into that in any great depth, but as I have pointed out, we are putting £100 million into move-on accommodation to help with that issue. We have also provided the Mayor of London with a record amount of money for new housing supply, which he has welcomed.

The hon. Gentleman and a number of other colleagues mentioned reviewing how the Bill is working. I have committed to doing that once the new duties have had time to bed in. If such a review is to work, having the right data will be absolutely critical, and I am committed to putting in place the work that is needed to ensure that we do.

My hon. Friend the Member for Mid Dorset and North Poole has pursued with some tenacity the issue of section 8 notices and various types of tenancy. My hon. Friend the Member for Colchester and the hon. Member for Hammersmith have also raised those important points. I reassure the Committee that there is overarching protection for every applicant—they will be covered by the prevention duty if they are at risk of homelessness within 56 days, whatever the circumstances and whatever their type of tenancy. Section 21 notices are the most

[Mr Marcus Jones]

common circumstances, and we believe that there are specific measures that provide proportionate protection. That said, we will address section 8 notices and other types of tenancy in our statutory guidance. I entirely understand where my hon. Friend the Member for Mid Dorset and North Poole comes from on section 8, and I will take away the points he has made and ensure that they are fully considered in the work we do as a result of the Bill.

The hon. Member for Dulwich and West Norwood made a number of points about the costs. She mentioned the announcement being late, and I hear what she said. In an ideal world, I would have brought the detail of those costs forward more quickly. That said, I did commit to providing them by the close of the Committee, and I have done that. She asked for detail on the costs, and rightly so. I will publish the full new burdens assessment once the Bill has completed its passage through the House. That will ensure that the assessment considers the cost of the final Bill in the light of any amendments made, not just in Committee, but on Report. To reassure Members, we are discussing several amendments that need to be tabled by next week for Report. We will assess whether new burdens are created as a result, but those new burdens will need to be funded.

The hon. Lady also mentioned the distribution of funding and trailblazer amounts. It is important that we split the two issues of cost for the Bill from trailblazers, and I will explain why in a moment. We are committed to working closely with the local government sector to design the distribution of funding, because we recognise that costs are likely to be wildly different across the country. The amounts for trailblazers do not necessarily correlate with the funding implications for the Bill, given that many places, because of the freedoms we gave them in the trailblazer offer to local areas, are going well beyond the Bill in trying to help the people they serve.

My hon. Friend the Member for Northampton South mentioned how councils will cope with the changes that they will be expected to make. He made a good point. There will be a period of time, as we have discussed, after the Bill becomes an Act but before the legislation comes into operation. We will work carefully and closely with local government to ensure that we mitigate the issues that he raised.

The hon. Member for Dulwich and West Norwood asked what the money will be spent on. The Bill requires local authorities to do a number of additional things. For example, all households will be provided with free information and advice on preventing and relieving homelessness. A new prevention duty will extend the period in which people have to be given advice when they are threatened with homelessness from 28 to 56 days. An enhanced duty for those who are already homeless will ensure that housing authorities will support households for 56 days to relieve their homelessness by helping them secure accommodation. That is just an example of the things that the additional money will fund.

In terms of the review, I point out that once the legislation comes into effect, there will be a period of two years, and pretty much immediately after that there is likely to be a Government spending review. I am sure that the legislation will be looked at in the round with

all the other things that local authorities have to do, not just in relation to housing, but all their other functions.

I thank my hon. Friend the Member for Enfield, Southgate for his strong support on the costs and for his optimism. The same is true of a number of other hon. Friends. He was right to point out that while the hon. Member for Hammersmith expressed some valid concerns, he was showing a rather gloomy and pessimistic front. That was the front he put across, at least, but we all know that some of the talk on costs has been conflated with things that are not necessarily in the Bill.

5 pm

I hope that I have satisfied my hon. Friend the Member for Harrow East on the additional cost. Let me satisfy him on the statutory code of practice. Obviously, we will update the statutory guidance to reflect the new burdens in the Bill. We fully expect local authorities to comply with the statutory code and to do things as intended by the Bill. We can also put in place a code of practice for the provisions that are in the Bill, and for those that are not, so it is a very useful tool for the Secretary of State. If local authorities do not step up to the mark—I am not being critical of them, because local authorities across the country are doing excellent work and are taking on the new trailblazer work with great gusto—we will use our fall-back position to ensure that the Bill does what it says on the tin. I thank the Committee for allowing me to clarify those points.

*Amendment 16 agreed to.*

*Amendment made:* 17, in clause 1, page 3, line 4, at end insert—

“( ) After subsection (4) insert—

“(5) A person is also threatened with homelessness if—

- (a) a valid notice has been given to the person under section 21 of the Housing Act 1988 (orders for possession on expiry or termination of assured shorthold tenancy) in respect of the only accommodation the person has that is available for the person’s occupation, and
- (b) that notice will expire within 56 days.”—

(Mr Marcus Jones.)

*This amendment provides that a person will be threatened with homelessness for the purposes of Part 7 of the Housing Act 1996 if they have been given a valid notice under section 21 of the Housing Act 1988 in relation to their only accommodation and that notice will expire within 56 days.*

*Clause 1, as amended, ordered to stand part of the Bill.*

## Title

**Mr Jones:** I beg to move amendment 15, title, line 1, leave out

“Amend the Housing Act 1996 to”.

*This amendment aligns the long title of the Bill with its contents on the basis that, as well as amending the Housing Act 1996, it also amends the Homelessness (Suitability of Accommodation) (England) Order 2012 (see clause 12).*

Finally, this minor amendment removes the reference to the Housing Act 1996 from the long title of the Bill. The Bill also makes changes to the Homelessness (Suitability of Accommodation) (England) Order 2012, so the reference is incorrect.

*Amendment 15 agreed to.*

**Bob Blackman:** On a point of order, Mr Chope. As we have reached the end of the proceedings, I would like to thank you for your patient, good-natured and flexible chairing of the Committee. I thank hon. Members on both sides of the Committee both for attending these sittings and for their contributions, which have added to the Bill and to our consideration of the amendments. The discussion has been consistently conducted in a consensual spirit. We have had the odd point of disagreement, which is healthy, but I believe we have worked well together to scrutinise the Bill and ensure it is returned to the House in a good state. That follows the excellent work of the Select Committee that preceded the Bill's coming to us.

I also thank my hon. Friend the Minister for marshalling the full resources of the Department to ensure that the Government support the Bill, and for allowing his officials, lawyers and the Bill team to help to draft the Bill and address issues as and when they have been identified. Finally, I thank the Clerks and the Doorkeepers for managing the Committee.

I look forward to seeing all Committee members when we next debate the Bill on Report on the Floor of the House. I feel confident that Members on both sides of the House will be able to support it in good conscience. The Report stage will take place on Friday 27 January, and the administrative arrangements for anyone who wishes to table amendments will be circulated to give them proper notice. With that, I thank you, Mr Chope, all members of the Committee and everyone who has been involved in reaching this stage of the process.

**Andy Slaughter:** Further to that point of order, Mr Chope. I echo the thanks expressed by the Bill's promoter to everyone involved thus far. We all agree that the sittings have been conducted with civility and, where possible, consensus. I will leave it there, other than to thank you particularly, Mr Chope, for your forbearance. Perhaps the proceedings have been a little more helter-skelter than is common in such Committees; you may have been reminded of the national lottery by the random manner in which the clauses were drawn for debate. None the less, with your usual sang froid you have kept us in order, so thank you very much.

**Mr Jones:** Further to that point of order, Mr Chope. I add my thanks to those expressed by my hon. Friend the Member for Harrow East and the hon. Member for Hammersmith for your chairmanship of the Committee; you kept us in order throughout. I thank colleagues on both sides for their contributions on this important measure.

I particularly thank the Opposition Front Benchers for the spirit in which they have approached the Bill so far. It is a rare experience to be on a Committee where there is such a consensus, and I shall probably have to wait a little while before I experience another that operates in the same way. The hon. Member for Hammersmith said that there had been a bit of a lottery for the clauses, but as someone who does the lottery now and again I feel we have probably had more success with the Bill than I ever do with that—although it has not always been all that easy.

I must also thank my hon. Friend the Member for Harrow East for the energy and determination, and at times patience, that he has shown during the Committee sittings. It is not easy to negotiate one's way through a Bill when there are so many different interests that we understandably want to work with on getting things right.

I also thank the officials who have worked so hard on the Bill. Parliamentary counsel worked extremely hard, especially during the many periods of recess, Christmas holidays and so on. Finally, I thank the Clerks and Doorkeepers, who have done a sterling job.

**The Chair:** I thank hon. Members for their expressions of gratitude to the Clerks and officials, *Hansard*, the Badge Messengers and everyone who keeps us secure. I am sure that those tributes to them are well deserved. There have been seven sittings and despite the consensual nature of the Committee they seem to have taken quite a long time. I wish all those associated with it good luck on Report. As someone who often attends on Fridays I shall feel rather frustrated that I will not be allowed to participate. As has been said, the proceedings have been conducted with good humour.

This is actually the first time I have had the privilege of chairing a Committee on a private Member's Bill; such Bills are soon to be called Back-Bench Bills, if the House implements the Government acceptance of the Procedure Committee's recommendation. Chairing the Committee has been a good learning experience for me, but that was possible only because of the good humour of all involved, and their engagement. Everyone in the Committee has participated, which is unlike what happens in many Committees, so I thank Members very much.

*Bill, as amended, to be reported.*

5.9 pm

*Committee rose.*

