



Z2K Response to Westminster City Council's Draft Homelessness Strategy 2019-2024

Z2K (Zacchaeus 2000 Trust) welcomes Westminster City Council (WCC's) reintroduction of a formal Homelessness Strategy. While WCC might not have been legally required to refresh its previous strategy after 2009, the toxic combination of welfare reform and increasing rents in London's private rented sector clearly altered significantly the context of Westminster's efforts to deal with homelessness. In our view, the absence of a formal strategy over the past decade has resulted in a piecemeal approach, which has left WCC falling a long way short in its obligations to homeless people and denied residents, stakeholders and homeless people themselves the chance to feed in new ideas and help shape WCC's approach.

That said, Z2K believes this current draft strategy is still inadequate. It is effectively just a restatement of what is already happening, rather than a blueprint to try to improve the experience Westminster residents go through if they become homeless. To some extent, this is not the fault of the Housing Options Service itself. However, trying to solve the homelessness crisis without challenging directly the caps and cuts to Housing Benefit and especially without a step-change in the number of new social rented homes being made available locally is almost impossible. Z2K feels this strategy needs to acknowledge and seek to change those parameters, rather than simply accept them as unmoveable. These changes demand stronger political leadership.

We also appreciate that the Homelessness Reduction Act 2017 has increased the duty on local authorities to prevent and relieve homelessness, especially for single homeless people, and we note the increased number of people WCC dealt with directly in the 12 months following implementation of the legislation. However, it is clear that the underlying scale of statutory homelessness amongst families and vulnerable single people in priority need remains undiminished and we are concerned that some of these households are getting an even worse service than they would have done before the Housing Solutions Service was set up and the Act came into effect. In particular, the halving of the total number of "acceptances" between 2017/18 and 2018/19 indicates a worrying trend of delay in agreeing to the full homelessness duty and the further rights those households then enjoy.

Z2K is also disappointed this strategy does not mention the damning Supreme Court judgment in the case of [Nzolameso v WCC](#), which found its decision-making processes so lacking. We recognise that WCC put in place policies from January 2017 to formalise the process by which homeless households are now prioritised for temporary accommodation within Westminster and the Boroughs

surrounding it or at least within Greater London, and we appreciate that the offer is sometimes better than the bare minimum allowed. However, we remain deeply concerned that so many Westminster families are placed in distant outer East London and Essex, where they struggle to maintain links with family support networks and bring their children in to Westminster schools.

Z2K supports the ten worthwhile objectives set out in this draft strategy and the specific proposals within each section. However, they simply don't match up to the scale of the homelessness crisis in Westminster. Importantly, they don't match the scale of ambition now being demonstrated by other inner-London Boroughs. Those authorities are both straining every sinew to deliver more genuinely affordable social housing and make the experience of homelessness less difficult, for example, through the provision of a bespoke package of support for homeless families placed out of Borough. We urge WCC to look closely at whether it too can adopt a much more ambitious approach, particularly in the following areas:

1. Welfare Reform – challenging the Government cuts to Housing Benefit and match-funding DWP's Discretionary Housing Payment funding
2. Homelessness Duty / Homelessness Reduction Act 2017 - better quality decision-making and more detailed Personal Housing Plans (PHPs)
3. Temporary Accommodation – bringing all homeless families with children back closer to Westminster or “nearby” boroughs
4. Social Housing – a step-change in the delivery of homes for homeless/overcrowded families, including at least 60 per cent of the 35 per cent required within new developments.

This might seem too ambitious an agenda. But Z2K believes it is eminently achievable. We also feel that Westminster has the capacity to turn its services around, not least because we are conscious of the generally very good work WCC carries out with rough sleepers and local organisations like The Passage and the Cardinal Hume Centre. We also see at close hand the extra effort Westminster was making to help non-statutory single homeless people even before the Homelessness Reduction Act, through the innovative use of Local Welfare Assistance funding to provide prospective private tenants with four weeks rent in advance.

We hope the Council Leader and Lead Member will look again at these concerns before finalising this strategy.

1. Welfare Reform

WCC's Review of Homelessness, which informs this new draft strategy clearly identifies the cuts to Housing Benefit as one of the key drivers of homelessness over the past nine years. Para 8.6 specifically notes these as the 2012 caps on Local Housing Allowance (LHA), the lower overall household Benefit Cap (£23,000 a year), the freezing of LHA rates since 2015 and the extension of the Shared Accommodation Rate to those up to the age of 35 years-old and records the weekly and annual shortfalls between each LHA rate in the Central London Broad Rental Market Area (BRMA).

Despite this evidence, the strategy itself simply calls for WCC *“to lead the discussion with Government and others on how the welfare system can work better for low-income residents in central London for example (LHA levels) could be calculated by taking the bottom third of rents as is the case in other areas, but also by excluding ‘super prime’ properties from the calculation”*. This is an unnecessarily complex and parochial request. Shelter, Crisis, the Chartered Institute of Housing and London Councils have all called for the freeze to be lifted and LHA rates to be pegged back at the

30 percentile in accordance with the Welfare Reform Act 2012. We see no reason why WCC itself should not back that campaign.

Similarly, the Shared Accommodation Rate (SAR) in Central London is still just £144 a week – making it impossible for those working with homeless people under the age of 35 to find them a tenancy in the local private rented sector. Strangely, while the one-, two-, three- and four-bedroom rates were uplifted by three per cent in 2019/20 through Targeted Affordability Funding, the SAR was ranked so low in its divergence from marker rent levels that it did not benefit from any uplift. We urge WCC to press for the reduction of the age threshold for the SAR to at least 30 years-old if not all the way back down to 25, and also ask the Valuation Office Agency to investigate why the SAR in Central London is so low compared to actual market rents for a room in shared accommodation.

Finally, the strategy’s silence on the problems arising from the overall household Benefit Cap of £440 a week for families and £295 for single people is inexcusable. We recall that this policy was prompted by media stories of families in central London in receipt of Social Security benefits in excess of £50,000 a year. However, it soon turned out there were only around 50 such families, some of whom had had that accommodation brokered by WCC itself. Z2K is deeply frustrated WCC never took the opportunity to explain why the original Benefit Cap would adversely impact hundreds of other local families or why lowering the cap in 2015 would make a bad situation even worse. WCC will never be seen as a leader in the homelessness field by other local authorities if it is unwilling to speak out against such unjust policies.

In the interim, we believe Westminster can and should be doing much more to mitigate the impact of Housing Benefit cuts from within its own resources. As Table 20 of the Review of Homelessness 2019 makes clear the amount of Discretionary Housing Payment (DHP) funding made available from DWP to Westminster has reduced from £2.67 million in 2016/17 to £1.07 million in 2019/20.¹ However, this table also reveals that WCC “topped-up” its DHP pot by £515,000 in 2017/18 and £260,000 in 2018/19. Both those decisions were very welcome and will undoubtedly have helped more tenants meet the shortfall between the rent they owe and the HB they are entitled to and thereby avoid falling into arrears and facing eviction. All local authorities are actually allowed to top-up their DHP pot by up to 150 per cent of DWP’s allocation. We believe that a relatively wealthy authority like Westminster should be at least matching DWP’s £1 million allocation.

2. Homelessness Duty / Homelessness Reduction Act 2017

Z2K has long been concerned about the quality of decision-making by WCC on homelessness applications and the extent to which families and vulnerable single people experience “gatekeeping” by the Housing Options Service to deny them their right to be accepted as homeless and in priority need. In our view, Westminster, along with some other London Boroughs, has twisted the very worthwhile aspiration to prevent homelessness into a policy of preventing homeless households making a formal application in the first place. Vulnerable households are forced to fight every step of the way to realise their legal rights.

Instead of implementing the new Homelessness Reduction Act 2017 in the spirit it was intended i.e. to extend meaningful help to a wider group of non-statutory single homeless people, WCC appears to be dragging out even longer the process for households who should be deemed to be in priority

¹https://www.westminster.gov.uk/sites/default/files/westminster_city_council_review_of_homelessness_2019.pdf

need. We believe this lies behind the shocking halving of the number of full homelessness duty “acceptances” from around 500 in years 2015/16, 2016/17 and 2017/18 to just 214 in 2018/19. (In fact, if the figures provided by WCC to MHCLG are to be believed just 11 full duty acceptances were made in Quarter 1 of 2018/19 and 13 in Quarter 2.)

We note that Table 31 in the Review of Homelessness 2019 states that the “relief duty” was found to be owed to 1,012 of the 1,766 homeless applicants during the course of 2018/19, and so it is especially troubling that the only 214 acceptances of the full duty were made during that period.² We fear families who have received notice their landlord wants them out are being put on a pointless merry-go-round to drag out the tenancy for an extra two or three months, rather than enabled to make a managed move towards the home and stability they need.

We are in no doubt that the threat of discharge of duty into the private rented sector is one of the main tactics used by WCC and other authorities to discourage homeless households from pursuing a formal application. Applicants are told they should a Private Rented Sector Offer (PRSO) at the outset or they will simply be allocated something worse after several weeks in B&B if they insist on applying formally. Z2K understands that local authorities have held this discharge of duty power since the Localism Act 2011, but we are not persuaded it is being utilised fairly. In our view, it should only be utilised when homeless households in TA are refusing to bid for social housing. We hope WCC will reconsider its use or even the threat of its use at the outset of an application.

The Homelessness Reduction Act places significant additional obligations on local authorities and Z2K appreciates that these involve new financial burdens. However, WCC has been allocated an additional £980,000 “new burdens” funding over the period 2017/18 to 2019/20 to administer the additional applications expected. We have therefore been somewhat disappointed with the quality of some of the Personal Housing Plans drawn up by WCC and its housing options provider. Several of those we have seen are just two pages long. The contents, especially the “actions to be taken by the Housing Officer” are frequently very brief. We appreciate the PHP doesn’t always tell the whole story. Nevertheless, from what we have seen, Westminster’s PHPs compare unfavourably with those in Boroughs like Camden, Hackney, Hillingdon and Islington and we would encourage WCC to work towards plans of that depth and quality in future.

3. Temporary Accommodation

Z2K understands that unless there is a significant and sustained increase in the development of new social rented housing, London Boroughs will be dependent upon temporary accommodation (TA) for its homeless households. Our concern is that accommodation should be self-contained, that it should be relatively close to Westminster and that families should not be left there for an excessive period. The first of these requirements was finally forced upon WCC when the Local Government Ombudsman ordered it to pay more than £100,000 compensation to forty homeless families with children it had unlawfully placed in Bed & Breakfast accommodation for longer than six weeks.³ We urge WCC to apply that same six-week rule to any B&B-style accommodation it owns or manages and to be transparent about it.

²https://www.westminster.gov.uk/sites/default/files/westminster_city_council_review_of_homelessness_2019.pdf

³ <https://www.lgo.org.uk/information-centre/news/2013/sep/westminster-city-council-left-40-homeless-families-in-bed-and-breakfast-accommodation-for-too-long>

Much less progress has been made on the location of that TA. In fact, while the overall proportion of those accommodated outside Westminster is unchanged since 2010, they are increasingly placed even further away than they were a decade ago. For example, we regularly see homeless families placed more than 20 miles away in Thurrock, and we are aware of others offered accommodation as far away as the south coast or Luton. Titina Nzolamso herself was offered accommodation in Bletchley – 53 miles from Westminster.⁴

Z2K appreciates that it is a real struggle for WCC to find affordable TA within Westminster, but we are not persuaded it works hard enough to identify properties in neighbouring Boroughs, like Brent, Lambeth and Wandsworth, or nearby ones like Ealing, Harrow and Barnet. Of course, it may be that Westminster’s involvement in the new *Capital Letters* programme will ultimately resolve this issue, but Z2K is not persuaded this initiative will be scaled-up to the 20,000 properties within the three-year period stated by London Councils and so WCC will have to continue relying predominantly on its own resources for the foreseeable future.

We urge WCC to set itself a more ambitious target to ensure that all homeless families with children at key Stages 4 or 5 (Band 2) are offered TA in Westminster, an adjacent Borough or a “nearby” one, and not just anywhere in Greater London as the current policy states and that families with children in a Westminster school (Band 3) are offered TA in London.

The strategy includes the depressing evidence that in Westminster the average wait in temporary accommodation is 10 years for a two-bedroom flat and 16 years for a three-bedroom one. Z2K believes that it cannot be right for children to spend most or even all of their childhood growing up in TA even if it is self-contained. Shelter’s seminal 2006 research, *Living in Limbo*, detailed the impacts of prolonged periods in TA on the health, education and well-being of children. We do not agree that the solution to this in Westminster is to either reduce the number of households to whom a full duty is accepted or seek to discharge WCC’s duty through the offer of an Assured Shorthold Tenancy in the private rented sector. The real solution is to build more social housing.

4. Social Housing

In is in the area of delivering new social housing that WCC has been most poor in recent years. Z2K understands that the opportunities for new development are much more limited in Westminster than outer London Boroughs or those containing former industrial land. However, as the table below shows, even when set alongside other inner London Boroughs with similar characteristics, Westminster can be seen to lag a long way behind – delivering fewer than half the completions achieved in Camden and Islington over the past eight years.

	2011 /12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	Total
Camden	206	348	180	253	74	47	186	201	1,495
Islington	450	206	140	100	85	18	48	376	1,423
Westminster	79	59	35	259	4	85	43	99	663

⁴ <https://www.supremecourt.uk/cases/uksc-2014-0275.html>

This strategy repeats the objective of 1,850 new “affordable” homes over the five-year period up to 2023 – an average of 370 affordable homes a year. What it does not make clear, however, is that WCC’s Housing Strategy and the more recent Local Plan both set a target that 60 per cent of those affordable homes are to be “intermediate” products – usually shared ownership – for “middle-income” households earning up to £85,000 a year. This leaves just 40 per cent being either social or London Affordable Rent, which might be available to homeless or overcrowded families.

WCC’s justification for this switch in the 2015 Housing Strategy was that it intended to develop and offer its own intermediate homes for those social tenants on incomes of between £20,000 and £40,000 a year who aspired to home ownership.⁵ Z2K was always sceptical of the likelihood of Westminster being able to develop a more affordable home ownership product and little or no progress appears to have been made on it over the past four years. Instead, almost all the intermediate homes coming through are traditional shared ownership, which is completely unaffordable to existing social tenants.

This split is the exact opposite of the London Plan, which requires at least 60 per cent social/affordable rent and 40 per cent intermediate. Westminster’s inversion of the London Plan split means it is aiming for 740 new social/affordable rent homes and 1,110 to meet demand for home ownership from middle-income earners – foregoing at least 370 new homes that might have been let to homeless households over the course of this five-year period.

In fact, the opportunity-cost of WCC’s current planning policy is even greater. It should also be noted that several London Boroughs have long had a target of at least 70 per cent of the affordable housing being social or affordable rent. If that were the case in Westminster, 1,295 of the 1,850 new affordable homes would be social/affordable rent – 555 more than is projected through the current target. It is indisputable that an extra 555 new social rented homes would have an enormously positive effect in terms of reducing the number of homeless families in TA. Sustaining that approach over the lifetime of the City Plan would be transformational.

One specific area that needs closer attention by WCC is the provision of new council housing. The lifting of the Housing Revenue Account cap and subsequent invitation for local authorities to apply for Social Housing Grant has dramatically re-opened the possibility for new council housing. The Mayor of London’s Building Council Homes for Londoners programme has attracted successful bids from 27 of the 33 London Boroughs – even the City of London has secured funding for 135 new council homes and Kensington & Chelsea has been awarded £33 million for 336 of its own. Disappointingly, Westminster does not appear to have been among those to have applied.

Conclusion

Z2K hopes this response helps inform the final version of Westminster’s Homelessness Strategy and we would be happy to discuss our concerns and proposals in more detail if helpful.

⁵ <https://www.westminster.gov.uk/housing-strategies>