

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LOCALISM BILL

Twentieth Sitting

Thursday 3 March 2011

(Afternoon)

CONTENTS

CLAUSES 124 to 126 agreed to, some with amendments.
Adjourned till Tuesday 8 March at half-past Ten o'clock.

PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS
LONDON – THE STATIONERY OFFICE LIMITED

£5.00

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The Committee consisted of the following Members:

Chairs: MR DAVID AMESS, † HUGH BAYLEY

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| † Alexander, Heidi (<i>Lewisham East</i>) (Lab) | † Ollerenshaw, Eric (<i>Lancaster and Fleetwood</i>) (Con) |
| † Barwell, Gavin (<i>Croydon Central</i>) (Con) | † Raynsford, Mr Nick (<i>Greenwich and Woolwich</i>) (Lab) |
| † Bruce, Fiona (<i>Congleton</i>) (Con) | † Reynolds, Jonathan (<i>Stalybridge and Hyde</i>) (Lab/Co-op) |
| † Cairns, Alun (<i>Vale of Glamorgan</i>) (Con) | † Seabeck, Alison (<i>Plymouth, Moor View</i>) (Lab) |
| † Clark, Greg (<i>Minister of State, Department for Communities and Local Government</i>) | Simpson, David (<i>Upper Bann</i>) (DUP) |
| † Dakin, Nic (<i>Scunthorpe</i>) (Lab) | † Smith, Henry (<i>Crawley</i>) (Con) |
| † Dromey, Jack (<i>Birmingham, Erdington</i>) (Lab) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Elliott, Julie (<i>Sunderland Central</i>) (Lab) | † Stunell, Andrew (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) |
| † Gilbert, Stephen (<i>St Austell and Newquay</i>) (LD) | Ward, Mr David (<i>Bradford East</i>) (LD) |
| † Howell, John (<i>Henley</i>) (Con) | † Wiggin, Bill (<i>North Herefordshire</i>) (Con) |
| Keeley, Barbara (<i>Worsley and Eccles South</i>) (Lab) | |
| † Lewis, Brandon (<i>Great Yarmouth</i>) (Con) | Sarah Davies, <i>Committee Clerk</i> |
| † McDonagh, Siobhain (<i>Mitcham and Morden</i>) (Lab) | |
| † Mearns, Ian (<i>Gateshead</i>) (Lab) | |
| † Morris, James (<i>Halesowen and Rowley Regis</i>) (Con) | |
| † Neill, Robert (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) | † attended the Committee |

Public Bill Committee

Thursday 3 March 2011

(Afternoon)

[HUGH BAYLEY *in the Chair*]

Localism Bill

Clause 124

DUTIES TO HOMELESS PERSONS

Amendment moved (this day): 226, in clause 124, page 110, line 19, after ‘suitability’, insert ‘and affordability’.—(*Alison Seabeck.*)

1 pm

The Chair: I remind the Committee that with this we are discussing the following: amendment 230, in clause 124, page 110, line 23, leave out

‘a private rented sector offer’

and insert

‘an accredited private rented sector offer as specified in section [Private rented sector accreditation schemes] of the Localism Act 2011’.

Amendment 227, in clause 124, page 110, leave out line 28.

Amendment 231, in clause 124, page 110, line 30, leave out ‘private rented sector offer’ and insert

‘accredited private rented sector offer as specified in section [Private rented sector accreditation schemes] of the Localism Act 2011’.

Government amendments 168 and 169.

Amendment 232, in clause 124, page 110, line 38, leave out ‘private rented sector offer’ and insert

‘accredited private rented sector offer as specified in section [Private rented sector accreditation schemes] of the Localism Act 2011’.

Amendment 229, in clause 124, page 110, line 39, at end insert

‘and (b) at the end of paragraph (c) insert—

“(d) the cost of the tenancy to the applicant is not in excess of the Local Housing Allowance for the broad rental market area in which the private rented sector offer is located.

(e) the authority is satisfied that the private rented sector offer meets the Decent Homes standard.”’.

Amendment 218, in clause 124, page 110, line 40, leave out subsection (8) and insert—

‘(8) In subsection (7D) after “end;”, insert—

“(ab) the landlord is a member of an accreditation scheme for private sector landlords operated or approved by the authority;”’.

Amendment 228, in clause 124, page 110, line 40, leave out subsection (8).

Amendment 216, in clause 124, page 110, line 40, leave out ‘(7B) to’ and insert ‘(7C) and’.

Amendment 217, in clause 124, page 110, line 40, at end insert—

‘(8A) In subsection (7D) at end insert—“ or,

(d) (i) an assured shorthold tenancy of a minimum duration of 12 months is available to the applicant;

(ii) the applicant has previously been placed in an assured shorthold tenancy of a duration of greater than six months and less than 12 months between the date of the application being made and the date of the tenancy mentioned in sub-paragraph (i) becoming available;

(iii) the local authority considers that the tenancy available can be afforded by the applicant;

(iv) a housing support services assessment for the applicant has concluded that any support needs of the household to which the applicant belongs can be met within the accommodation provided under the tenancy that is available;

(v) the support to meet the support needs of the household is available; and

(vi) the local authority has advised the applicant of tenants’ and landlords’ rights and obligations under an assured shorthold tenancy and has directed the applicant to sources of independent advice and information.”’.

Amendment 233, in clause 124, page 111, line 2, leave out ‘private rented sector offer’ and insert

‘accredited private rented sector offer as specified in section [Private rented sector accreditation schemes] of the Localism Act 2011’.

Amendment 219, in clause 124, page 111, line 12, leave out subsection (11) and insert—

“(11) Where an authority is under a duty to provide an applicant with advice and assistance under section 190(2)(b), 192(2) or 195(5) of the Housing Act 1996, the authority shall not procure or arrange a private rented sector offer to the benefit of the applicant unless the landlord by whom the offer is made is a member of an accreditation scheme for private sector landlords operated or approved by the authority.’.

New clause 13—*Homeless persons: advice and assistance*—

‘After section 184 of the Housing Act 1996 (Inquiry into cases of homelessness or threatened homelessness) insert—

“184A Prevention of homelessness: advice and assistance

(1) An authority may, in the course of its enquiries under section 184, provide advice and assistance to the applicant for the purpose of the prevention of homelessness.

(2) The applicant’s housing needs shall be assessed before the advice and assistance is provided under subsection (1).

(3) The advice and assistance provided under subsection (1) must include information about the likely availability in the authority’s district of accommodation appropriate to the applicant’s housing needs (including, in particular, the location and sources of such accommodation).

(4) The advice and assistance provided under subsection (1), including the assessment of the housing needs of and options available to the applicant, shall, in addition to the information specified in subsection (3), set out the steps which in the opinion of the authority are required to resolve the applicant’s housing needs.

(5) Any advice and assistance or offer of future assistance provided or made in accordance with subsection (4) shall be notified in writing to the applicant at the time when such provision or offer takes place or as soon as reasonably practicable thereafter.

(6) Where at any time prior to the making of a decision under section 184(3) the authority proposes to procure or arrange for the applicant a private rented sector offer, the applicant is free to reject such an offer without affecting the duties owed to him by the authority under this Part.

(7) The authority shall secure that any offer of accommodation which is made in the circumstances described in subsection (3)—

(a) is an offer of a fixed term tenancy (within the meaning of Part I of the Housing Act 1988) for a period of at least twelve months; and

- (b) is accompanied by a statement in writing which specifies the term of the tenancy being offered and explains in ordinary language—
- (i) that there is no obligation to accept the offer, but
 - (ii) that if the offer is accepted, the authority may decide that the applicant is no longer homeless or threatened with homelessness and the consequences of such a decision, and
 - (iii) the implication of the applicant deciding not to accept the offer.

(8) A notification or statement under subsection (2) or subsection (4)(b) shall inform the applicant of his right to seek independent advice in respect of the matters contained in that document.”.’.

New clause 14—*Private rented sector accreditation schemes*—

‘(1) Every local housing authority must operate one or more voluntary accreditation schemes for landlords in the private rented sector.

(2) An authority may operate a landlord accreditation scheme itself or in conjunction with other persons and may delegate performance of this function, or aspects of this function, to another person.

(3) The Secretary of State shall by order:

- (a) define the nature and scope of accreditation schemes;
- (b) prescribe the criteria for membership of accreditation schemes;
- (c) prescribe requirements as to the professional qualifications or standards of persons who will operate an accreditation scheme in conjunction with the authority or to whom it intends to delegate performance of this function;
- (d) establish standards of conduct and practice (“the minimum standards”) with regard to the disposal and management of residential accommodation which shall be required as a condition of membership of accreditation schemes, including requirements as to the condition of premises let by accredited landlords;
- (e) provide for a system of inspection of premises and monitoring of compliance with the minimum standards;
- (f) to provide for means of redress where there has been a clear failure to meet minimum standards, including provision for termination of membership and procedures for review of decisions;
- (g) make provisions concerning any matter relevant to the objectives, management and operation of accreditation schemes; and
- (h) permit the scheme to consider and take action where a complaint is received or there are grounds for considering whether enforcement actions should be taken under legislation in relation to any premises owned or managed by a member of an accreditation scheme, in such circumstances and subject to such conditions as may be prescribed.’.

I am afraid you have a double dose of me today.

Alison Seabeck (Plymouth, Moor View) (Lab): I had got to the point where I was explaining that people who found themselves homeless, and who were at an extremely vulnerable point in their lives, depended very much on statutory safeguards and protections to ensure that their position did not worsen further.

According to the Minister’s Department, the third biggest cause of statutory homelessness last year was the loss of an assured shorthold tenancy. It was the third largest only because it was overshadowed by the end of a relationship and family or friends no longer being able to house the person. I cannot quite fathom, therefore, why the Government believe that a problem that largely stems from the lack of stable long-term

accommodation in the private rented sector can be solved by returning people to that same sector—they are potentially being returned to a revolving door of homelessness. Tenancies are shorter in the private rented sector, and families have to move more regularly, creating greater instability for them. Indeed, the Minister himself recognised that in 2009, when he put his name to early-day motion 1154, which was tabled by my former right hon. Friend Sally Keeble.

Fiona Bruce (Congleton) (Con): Does the hon. Lady not agree that the introduction of assured shortholds released on to the property market huge numbers of rental properties that would not otherwise have been available?

Alison Seabeck: I thank the hon. Lady for her intervention. There is, indeed, a niche in the market for those short lets, but, by and large, moving families who are vulnerable for a range of reasons—she will know about that from her constituency surgery—into short-term lets creates instability. The evidence is there, and it is not just my evidence, but the Department’s. Some people choose a short-term let, and that is their choice because it works with their career. My daughter, for example, is in that situation, and it works for her and her partner at the moment, but it probably will not in the future; they have just had their first child, and they may not want the instability in their lives. I agree that there is a niche in the market, but I do not think that it is appropriate to force vulnerable families down that route and not to give them a choice.

Unfortunately, the hon. Lady has not saved the Minister from being reminded of his wonderful history with early-day motions. Early-day motion 1154 said:

“That this House recognises that tenants in the private rented sector risk losing their homes through repossession when landlords default on mortgages; notes that many tenants are evicted with little or no notice, sometimes only finding out when the bailiff arrives on their doorstep; further notes that many of these tenants could be at risk of homelessness through no fault of their own”.

That flags up one of the issues with the way in which the private rented sector is managed, as well as the problems faced by those who are put into the sector without being given a choice and indeed by some of those who do have a choice.

There is also the issue of standards in the private rented sector. Standards have improved enormously, and a lot of credit goes to a lot of private landlords, who have put a lot of time and effort into ensuring that the product they put on the market is of good quality. Again, however, all the evidence shows that the percentage of properties of non-decent standard is considerably higher in the private rented sector than it is in other sectors. The most recent figure was 44%, against 32% in the social sector—that figure was declining as a result of the decent homes standards—and 26% among owner-occupiers. We therefore know that a disproportionately high number of people live in insanitary conditions in the private rented sector. As we mentioned when we debated clauses on the allocation of housing, people living in such houses in the private sector need to be considered for rehousing and for the allocation of properties, so there is a bit of double counting here, which poses further problems for local authorities, which have a duty to house people. Clearly, we do not want local authorities having to rehouse people from insanitary or

[Alison Seabeck]

unsuitable private rented sector accommodation and, simply because of pressure on numbers, moving them on into properties that are probably below standard.

Allowing local authorities directly to place people into the private rented sector will necessarily result in a higher proportion of some of society's most vulnerable people being placed into properties that are still of a non-decent standard. There are also genuine concerns that the local authorities will simply place people out of borough in ever greater numbers. If a person cannot refuse, then ties to friends and families may be broken.

Finally, there is the issue of affordability. That is something that we come back to time and again during discussion of this part of the Bill, largely because of the Government's decision on housing benefit. Rents are higher in the private rented sector than in the social rented sector, and reductions in housing benefit focus primarily on the local housing allowance. The local housing allowance helps low-income families to be able to afford their rent. One of our concerns is that placing families directly into the private rented sector may leave them vulnerable to further reductions in housing benefit, which in turn could make it impossible to afford the rent. There was further evidence yesterday, which was well publicised, of the impact of the housing benefit proposals not just in central London, but in the whole London and beyond into the home counties. If the rent is unaffordable and the individual or the family cannot move, and they fail to pay and are evicted, they will then be deemed intentionally homeless and may well not be entitled to any further support from the local authority.

The amendment seeks to maintain the present system, where private sector offers can be made in certain circumstances, with the consent of the applicant. With proper advice, provided by some local authorities, people may well, on understanding the nature of the waiting lists—an issue that we have also debated at length—opt for the private rented sector. However, it is wrong to seek to weaken the rights of homeless applicants in that way. The Minister once put his name to early-day motions that said as much, and I hope that he will now be willing to accept the amendment, and, if not, to explain how and when he changed his mind.

On the issue of accreditation in new clause 14, I think I speak for all of us on this side of the Committee when I say how disappointed we are at the Tory-Liberal Democrat Government's decision not to change their mind on the discharge of duty into the private rented sector. We tabled the new clause because there is a strong argument to be made about accreditation schemes. I accept that the new clause is fairly basic, but we have done it with the backing of people in the industry. They were keen to move to some sort of regulatory set-up in the run-up to the general election, and were close to being in a position, with the then Labour Government, to introduce something. The industry itself is saying that it wants to have regulation. It wants to make sure that landlords are properly licensed and that the quality in the system drives out the cowboys and raises standards. Would it therefore be sensible for the Government—I understand their dislike of regulation; we may not agree with it on this side, but we understand their position—to allow landlords to work with them to introduce a proposal that can be included in the Bill? It would not

necessarily have to be wholly managed by the local authority. Landlords associations say that they could come up with a good, strong workable scheme themselves, although that is work in progress.

The proposed scheme would not be compulsory. Landlords would be able to register, which would be a form of quality mark. Renters would then know that a property would come with certain minimum guarantees. Furthermore, the new clause is drafted—I thank both Shelter and the Residential Landlords Association for their support in drafting the new clause—in order to keep the scheme at a local level. It would not require a new national scheme—no major Government IT products, for example, would be necessary. Each local authority would set up a scheme and adhere to the framework brought forward by the regulations. Details would remain local, and the scheme would be tailored to any peculiar local requirements. There may be some special cases: inner-city London, for example, may be likely to have different requirements from those of a northern seaside town. Accountability would also be local, through the council, but with some basic parameters set in regulation.

On its own, we believe that the accreditation scheme is a worthy addition to housing legislation for the private rented sector—a sector almost without regulation and with too many cowboy landlords ruining the reputation of those who take their responsibilities seriously. Many of us have children, either at university or leaving home for the first time, who live in private rented accommodation where we know the landlord does not care about standards. The amendment would go some way towards rectifying that situation.

Nic Dakin (Scunthorpe) (Lab): My hon. Friend makes a powerful point. I am particularly pleased with her argument because there is a great opportunity to drive forward the localist agenda through the accreditation system, while giving people confidence and protection.

Alison Seabeck: I thank my hon. Friend for his comment, which reinforces the point I am trying to make, on which we want to persuade the Government.

As I have said, I appreciate some redrafting might be needed if the Government were minded to consider strengthening the Bill by accepting the principle of the amendment. The Government might perhaps also want to consider allowing direct payment of housing benefit to the landlords who signed up to the scheme. However, as the Government apparently intend to push ahead with placing unintentionally homeless families with priority in the private rented sector, it is important that we should have some safeguards, with the one outlined as a minimum. It is flexible and progressive, and I hope that the Committee will join Members on the Labour Benches in voting for an amendment in due course.

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell)
rose—

The Chair: If the Minister will agree, my proposal is to allow the hon. Member for St Austell and Newquay to introduce his amendments, and allow some general debate. The Minister could then speak to his amendments and respond to the debate, if he is happy.

Andrew Stunell indicated assent.

The Chair: He is.

Stephen Gilbert (St Austell and Newquay) (LD): It is a pleasure to be back serving under your chairmanship, Mr Bayley. I want to speak to the four amendments tabled by me and my hon. Friend the Member for Bradford East, who unfortunately cannot be here today. In passing I want to tell the Committee that this morning I missed the chance to raise the Cornish flag above the Department for Communities and Local Government, to mark St Piran's day on Saturday; I therefore hope that hon. Members will indulge me by allowing me to have it flying briefly above the Committee this afternoon. I beg indulgence as I pass the Minister a report on why Cornwall and the Cornish should be a recognised minority.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): As I was the Minister who approved Cornish as a recognised minority language in the European Union I entirely support the hon. Gentleman's words about Cornwall, and only hope that he will not present his arguments in too black and white a tone.

Stephen Gilbert: I am grateful for the right hon. Gentleman's wit, and I and my fellow countrymen remain grateful for his efforts on Cornwall's behalf in the previous Government.

I want to speak tonight—[*Interruption.*] It already feels late. The amendments I shall speak to refer to the provisions that enable a local authority to discharge its homelessness duty by securing placements in the private rented sector. The first couple of amendments relate to the process of discharge into the private rented sector, and the others to standards in the sector.

My hon. Friend the Member for Bradford East and I broadly welcome the Government's intentions on that point, but we share some of the concerns of Labour Members, particularly about discharge into the private rented sector without a person's approval. I hope that the upshot of today's debate will be that the Government can consider whether adequate safeguards have been included in the Bill.

1.15 pm

As Members will see, amendment 217 would effectively create a mandatory two-stage tenancy process for discharging the homelessness duty into the private rented sector. My hon. Friend the Member for Bradford East and I sought to draw on lessons from recently passed Scottish regulations governing the discharge of the homelessness duty into the private rented sector north of the border. We are keen to ask Ministers to reconsider the proposals to end homeless households' ability to choose whether to accept accommodation in the private rented sector. Whether or not that is reconsidered, we believe that a two-stage discharge process would improve outcomes for homeless households placed in such accommodation.

I am grateful to the campaign groups Crisis and Citizens Advice for the support that they have shown for amendment 217, which would effectively provide tenants with further support and assessment from the local authority as the discharge process takes place. That support and assessment is optional, though highly recommended, north of the border, but my colleague

and I believe that within the Bill, it would be better as a mandatory provision. As the hon. Member for Plymouth, Moor View, said, a key aim of amendments to this part of the Bill is to reduce the chance of repeat homelessness. If we make additional efforts up front to ensure the suitability of the accommodation that is offered in the private rented sector to a homeless household, it will reduce the long-term likelihood that that accommodation will fail and additional costs befall the local authority.

The way that such measures work in practice in Scotland, and in the amendment, does not put undue responsibilities or onus on the private rented sector. It does not create contracts of more than 12 months, so it should remain appealing to landlords in the sector. By preventing repeat homelessness, the amendment would make the system work better for tenants, landlords and local authorities.

As the hon. Member for Plymouth, Moor View, said earlier, we know that support is important for people who need it. Even at a time of budget pressure, support should be prioritised for the most vulnerable in our communities. If people do not receive the support that they require at the outset, tenancies are more likely to fail, with financial and personal cost to the tenant. However, although local authorities will have to assess all tenants' support needs, the level of support that they give will be determined by each tenant's needs. The Scottish authorities' impact assessment said that there might be a minor financial impact on local authorities due to a possible increase in the provision of independent advice and information services, but it did not foresee any major costs. In the current climate, that is obviously a critical consideration for the Government.

The observant will probably note that the Bill already contains provisions to ensure that all applicants discharged into the private rented sector who are made unintentionally homeless again within two years are automatically considered to be in priority need. The Government may well suggest that that support makes a two-stage process unnecessary. However, we believe that the two-stage process has some advantages over the Government's planned safeguards. It is essentially a protective measure aimed at averting problems at an early stage, rather than waiting for homelessness to recur.

We worry that the two-year safeguard covers only those who are unintentionally made homeless; the most vulnerable might leave accommodation or fail to keep up rent payment. There is not only a risk that those in most need of support in the early stages of tenancy will not receive it, but a risk that if they become homeless, it will be considered intentional and they will not be owed the main homelessness duty, whether or not they are in a priority need group. I urge Ministers to consider whether the provisions can be strengthened, or whether they can accept any of the amendments tabled by my hon. Friend the Member for Bradford East, several Labour Members and me.

Under the associated amendments—218 and 219—where a local authority wishes to arrange for an offer of private rented accommodation to be made to a homeless person or family in order for it to discharge its duties under the Bill, it should not do so unless the landlord has been properly accredited. Under amendment 218, the requirement for accreditation will apply in all cases where the authority wishes to discharge its homelessness duty by means of a qualifying order under section 193(7B) of the Housing Act 1996.

Alison Seabeck: We are clearly broadly singing from the same hymn sheet. However, does the hon. Gentleman agree that although there are local authorities that have the powers to adopt some form of accreditation scheme—and some do make use of that—the Bill needs to ensure that all local authorities and private landlords start to raise their standards?

Stephen Gilbert: I am grateful for the hon. Lady's intervention because she makes a salient and pertinent point. The reality is that if the proposed sweep of changes to housing legislation go forward, the state will be a major purchaser of supplies from the private rented sector. When we are considering the best use of taxpayers' money, it behoves us to ensure that that money is spent on accommodation that befits the people who are being put there.

Ian Mearns (Gateshead) (Lab): That is a very powerful point. The converse side is that we should not have a situation where, through housing benefit schemes, the state is propping up the interests of private landlords who are not providing a good service for the public money that is being spent. In my borough of Gateshead, I have experience of private landlords who, while letting their property, allow the property to run into a measure of dilapidation deliberately, to try to drive down the value of neighbouring properties. They can then buy up those properties at a knock-down rate and get more money through the housing benefit system from quick lets.

Stephen Gilbert: The hon. Gentleman makes an entirely accurate point, which was highlighted to hon. Members in a recent Westminster Hall debate, where we learned that several housing charities have brought to hon. Members' attention the appalling standards of some accommodation in the private rented sector. My contention, and that of my hon. Friend the Member for Bradford East, is that if the Government are going to become a major purchaser of services in the sector, we can use that leverage to help to drive up not just standards for those who are being discharged into that sector under the homelessness duty, but general standards for everybody within the private rented sector.

Under amendment 219, the requirement for accreditation would also apply in the three situations where an authority is under a duty to provide advice and assistance to an applicant under the Housing Act 1996. Those three situations are: where the applicant is in priority need, but has been found to have become homeless intentionally because of, for example, rent or mortgage arrears; where the applicant is threatened with homelessness intentionally; or where the applicant is considered not to be in priority need. I think hon. Members from all parties recognise that there is a critical shortage of social housing and that large numbers of households are approaching their local authority for support. The private rented sector is increasingly and quite properly being used by local authorities to house vulnerable people, but despite that—and at considerable cost to the taxpayer—there remains little assurance of standards in the sector.

That is a particular concern in the context of the recently announced changes to the local housing allowance, which will make fewer private rented sector properties affordable to vulnerable households. I understand that research shows that the housing benefit changes will immediately reduce the proportion of London

neighbourhoods that are affordable to housing allowance claimants from about 75% to 51%. In the long term, that will fall to just over one in three by 2016.

Nic Dakin: I welcome the hon. Gentleman's comments and concerns about the changes to the housing benefit regulations. As he says, that makes it even more important to have strong accreditation processes in place. I very much agree with what he says.

Stephen Gilbert: I am grateful for the hon. Gentleman's support and encouragement, which I hope will be reflected by Members on the Government Benches—if not later today, then at a later point in consideration of the Bill. Some of the debates can be summed up by comments of the homelessness manager of a London council on the problems faced by the local authority when trying to put people in the private rented sector. He was quoted in *Inside Housing* as saying:

“Because there are so few landlords and boroughs fighting for them, you just take it”—

he was referring to accommodation—

“But we don't have as much information about the landlords as we would like and they can be as unprofessional as they like.”

He continued:

“It will probably be the same type of landlords we use for temporary accommodation and I see the problems being replicated.”

By ensuring that offers of private rented accommodation made under the homelessness functions only come from accredited landlords who have proven that they meet minimum standards that can be defined locally, local authorities will be taking steps to ensure that the most vulnerable households are not placed with the kind of rogue landlords with whom we are, sadly, all too familiar. There is a lack of security and stability, and poor regulation, in the private rented sector, as well as a lack of choice and support for the most vulnerable tenants. That raises significant questions about whether the Bill goes far enough in protecting those people who will be discharged into the private rented sector under the provisions.

We can also look, in passing, at the need to place housing benefit claimants at the bottom end of the sector. There is almost a double whammy for those in the wrong category. We risk worse outcomes for the households in most need, and could incur higher costs for local authorities in the long run. I have said that my hon. Friend the Member for Bradford East and I have concerns about stability, affordability, and the level and standard of provision in the sector.

Heidi Alexander (Lewisham East) (Lab): The hon. Gentleman has made a number of important points and has outlined his concerns about an immediate discharge into the private rented sector. Does he share my concerns about the capacity of the private rented sector in parts of the country to absorb the additional demand that the new procedure may create? I am also mindful of the effects that the changes to housing benefit might have, because research shows that a number of landlords would no longer rent their properties to people in receipt of housing benefit for fear of bigger shortfalls in the payment of rent.

Stephen Gilbert: The hon. Lady and I see quite a lot of each other in both this Committee and the Select Committee on Communities and Local Government,

and she is a firm champion of those whom she represents. I agree with her point to some extent, but I would say that capacity in the housing sector as a whole is a problem. When there are not enough social houses or affordable homes to go around, it is right that the Government should look at being able to use all the options. The concern that my hon. Friend the Member for Bradford East and I share is that the Government should use their leverage in the sector to drive up standards not just for the people who are discharged under the homelessness duty, but for everybody.

It is vital that local authorities ensure that they take appropriate precautions to protect vulnerable households, so that they are not subject to poor standards and bad management that puts them at risk of repeat homelessness, with potentially significant costs in future, both to the household and the state. The amendments are about the best use of taxpayers' money. I am sure that hon. Members on both sides of the House do not want to see taxpayers' money lining the pockets of rogue landlords who prey on the most vulnerable.

Our amendment seeks to redress those potential pitfalls, and ensure that local authorities set standards in their private rented sector and make sure that landlords who obtain accredited status demonstrate that they can meet those standards. We are talking about simple standards, such as: providing a fair written tenancy agreement; agreeing to complete repairs within a reasonable time scale, which is something that the landlord of my London flat could well fall foul of; protecting tenants' deposits with an official scheme; and ensuring that the property meets the minimum legal fire risk standards, and other standards that the House has seen fit to set. It is not unreasonable to expect those standards of professional landlords. As the hon. Member for Plymouth, Moor View, has said, many local authorities already do that, and the amendment seeks to widen participation in the best practice that is demonstrated in parts of the country.

1.30 pm

I ask Ministers to consider, either today or at a later date, whether the Bill goes far enough in both leveraging the best use of taxpayers' money to drive up standards in the private rented sector, and protecting the most vulnerable people in society who will be discharged into the sector—potentially into the bottom end of it—from the abuse by rogue landlords that we have seen in the past. This is a probing amendment and I will not put it to the vote, but I reserve the right to return to the issue on Report.

Andrew Stunell: Amendments 168 and 169 are minor technical amendments that do not substantively change the policy or the legislative provisions relating to homelessness. It is important to correct drafting that might otherwise have had unintended consequences.

As drafted, clause 124 requires the local authority to inform the applicant in both restricted and non-restricted cases of the re-application duty, but since the re-application duty does not apply to restricted cases it will not be necessary for a local authority to spend time doing so. Amendment 168 makes it clear that a local authority need only inform applicants in non-restricted cases.

Amendment 169 relates to clause 124(6), under which the re-application duty applies only to a single local authority. The amendment makes it clear that an authority

that makes an offer of private rented accommodation must inform the applicant of the effect of a re-application to any other local authority, not just the original.

I want to give the broad context of the proposals in the Bill and to deal with the specifics of individual new clauses and amendments. Clause 124 amends section 193 of the Housing Act 1996, which places a duty on local housing authorities to secure accommodation for applicants who are eligible for assistance. It does not change that main homelessness duty, and the same section also sets out the circumstances in which the duty comes to an end. That is the essence of the clause.

In most cases, the homelessness duty is brought to an end with an offer of social housing in accordance with the authority's allocation scheme. That is at the expense of other applicants on the housing waiting list, many of whom are likely to be in significant housing need. Currently, housing authorities that are faced with that dilemma can arrange for a private landlord to offer the applicants an assured shorthold tenancy in suitable accommodation, but the applicant can turn that down without giving a reason. They incur no penalty and the duty continues on the local authority.

In practice, only about 7% of homelessness duties on local authorities end with a move into the private rented sector. That means that people who are owed the homelessness duty can effectively insist on being offered a tenancy in social housing, and because social housing is in short supply, the local authority has to arrange expensive temporary accommodation until social housing becomes available. That may not be a significant problem in many areas of the country, but in London, for example, where—as hon. Members have pointed out—housing pressure is at its greatest and costs at their highest, the average wait in temporary accommodation is now three years. In individual cases that can be much longer. On average, people owed a homelessness duty are spending three years in temporary accommodation. That is clearly not a stable situation. It does not allow people to establish roots, or enjoy security with regard to their children's education or other aspects of their future.

Homelessness legislation provides a safety net for families with children and vulnerable people at risk—groups considered to have a priority need for suitable accommodation. That does not automatically mean that they need social housing. The clause intends to give local housing authorities the flexibility to bring the duty to an end with an offer of suitable accommodation in the private rented sector, without requiring the applicant's agreement. That is subject to certain conditions. First, the tenancy has to be for a minimum fixed period of 12 months. Secondly, the existing safeguards in the legislation will apply before the duty can be brought to an end in that way. The authority has to satisfy itself that the accommodation is suitable for the applicant and the household, and it must be made clear to the applicant that he or she has the right to ask for a review of its suitability.

Mr Raynsford: I have followed the Minister's argument closely. Earlier, he expressed concern that temporary accommodation did not allow homeless households to establish roots or be confident about their children's education. He used the word "security". Will he please tell us how a household placed in private rented accommodation—over which they have no choice, and

[Mr Raynsford]

to which they have a minimum entitlement of only 12 months—can possibly establish roots, feel confident about getting their children into a school in which they have the prospect of staying for a period, or feel secure in their homes? How is that consistent with his earlier remark rightly criticising the use of temporary accommodation because it denies exactly those elements?

Andrew Stunell: The average stay of a homeless family in temporary accommodation in London is currently three years, but it is not necessarily the same accommodation for all that time. The temporary accommodation is at the beck and call of the local authority and the landlord. We seek to improve a situation where there is not sufficient social housing to allow every homeless family to be given a place the following week.

I want to make a point I perhaps should have made at the outset. We are giving social landlords the option of going down the route that we are setting out. I am sure that there will be many parts of the country where local authorities believe that they can best discharge their homelessness function by continuing to place all or the majority of homeless families in the social sector, rather than having recourse to the private rented sector. I put it to the right hon. Member for Greenwich and Woolwich that three years in temporary accommodation is the average; many periods in temporary accommodation are longer than that. It is not an acceptable long-term way to deal with homeless families in high-pressure areas. It is appropriate for us to find another model that is available to local authorities.

Heidi Alexander: I listened carefully to the Minister's response to my right hon. Friend the Member for Greenwich and Woolwich, and I do not think he answered the question. My right hon. Friend rightly said that the Minister had given a number of reasons why temporary accommodation can be unsatisfactory—reasons relating to security, putting down roots and getting children into school. My right hon. Friend then asked the Minister to explain his position on the short tenancies in the private rented sector that could be imposed on people, without them having a chance to say anything about it. I am giving him another opportunity to answer the important question put to him by my right hon. Friend.

Andrew Stunell: If I did not express the point clearly enough, I am sorry. We are proposing a system that is better than the existing one, but it is not ideal. The ideal would be for everybody to have the home of their choice immediately available in the place that they wanted it. In London in particular, however, that is emphatically not the case. A three-year wait in temporary accommodation is normal; I ask Opposition Members whether they regard that as a policy that ought to continue unchallenged and unamended.

Siobhain McDonagh (Mitcham and Morden) (Lab): If I understand the Minister correctly, he is saying that because the wait in temporary accommodation in London is, on average, three years, we must discharge to the private sector. However, any family in temporary accommodation can say that the wait is too long and that they would be happy to take a private tenancy. We are taking away the right for them to make that judgment. How can that be progress?

Andrew Stunell: People still have that choice under the new system. We are offering local authorities the option of looking at the circumstances that the families in their area face. They do not have to decide that every case will be dealt with through the new option, but where it is appropriate, they can make a placement under the changed provisions.

Alison Seabeck: Will the Minister give way?

Andrew Stunell: I want to develop my point further, but I will give way in a few minutes.

The first condition is that the tenancy must be for a minimum fixed term of 12 months. The second is that the existing safeguards must be brought into play. That means that the authority must be satisfied that the accommodation is suitable for the applicant and the household, and they have the right to review that suitability. By law, "suitability" must include the property's affordability, size, condition, accessibility and location. With regard to affordability, the local authority must by law consider the applicant's financial resources and the total cost of the accommodation in determining whether it is suitable. I hope that that is some answer to some of the amendments tabled.

Another factor that must be taken into account by law is location, and it is relevant for local authorities to take into account whether the family have reasonable access to employment, schools and any necessary support. As now, applicants have the right to ask for a review of suitability, and if they are not satisfied, they have a right of appeal to the county court on a point of law. The consequences of acceptance or refusal of the offer must be made clear to the applicant, and the authority must be satisfied that the applicant can bring to an end any existing obligations relating to his or her current accommodation. There will be a further safeguard in non-restricted cases where the duty has been ended with a private rented sector offer and then the applicant becomes unintentionally homeless again within two years, because the duty will then recur. Provision for that is included in clause 125.

Under current market conditions, it is not considered practicable to expect private landlords to be prepared to offer initial tenancies of longer than 12 months to new tenants, whose conduct is as yet unknown. It is quite usual practice, however, for landlords to allow tenancies to run on where they find that they have good tenants and where there is no reason to expect any difference in behaviour in the future.

1.45 pm

Market conditions vary, so the clause includes a power that allows the Secretary of State to make regulations varying the minimum term required to fulfil the homelessness duty. That power, however, may only be exercised to increase the minimum term; the minimum term cannot be reduced below the 12 months set out in the clause.

I want to make it clear that local authorities are not required to end the duty with a private rented sector offer. They may retain their existing policy under current law if they choose. Local authorities will continue to be able to bring the duty to an end in that way. Before turning to the points raised in the debate, I should like to say that if somebody has been placed in temporary accommodation, it should be made transparent that it is not a final offer of accommodation.

We intend to ensure a better fit between the limited amount of social housing that a local authority has and the number of people who have a pressing demand for it. The clause allows local authorities to prioritise those who are in need of housing without automatically and unavoidably giving preference to those to whom they owe a homelessness duty.

Nic Dakin: I have listened carefully to the Minister's argument, and I think he is saying that, to square the circle that confronts him, he will significantly weaken the rights of homeless people. Is that really what this is about?

Andrew Stunell: That might be the hon. Gentleman's view, but it is certainly not our intention. The availability of social housing is limited and there is a very high demand for it. Rather than a particular category of eligible person getting social housing at the expense of others whose actual need may be more pressing, but whose statutory position is weaker, the clause ensures that the homelessness duty may be discharged through the private rented sector at the discretion of the local authority.

Of course, when there is a limited amount of social housing, it will always mean that somebody is successful and somebody else is unsuccessful. The unsuccessful person is put at a disadvantage, but it is essential that we always provide that people have a home. That has to be our priority, and with these proposals we will succeed in doing that.

Ian Mearns: The London boroughs are cheek by jowl with each other, so one London borough could place a homeless person in a tenancy in the private rented sector in an adjoining London borough. If after 12 months the tenancy is terminated at the whim of the landlord, which local authority would be responsible for that homeless person?

Andrew Stunell: The duty remains with the placing local authority for a two-year period. That is clearly set out in the Bill. I hope that answers the hon. Gentleman's specific point.

New clause 13, along with several other amendments, refers to setting up a statutory housing options advice service. Housing options are an established part of the homelessness prevention services offered by local authorities. At present, all local authorities in England have such a service. Indeed, many of them are very effective. Everyone understands that London is a hot spot for homelessness and housing pressure. However, even in the centre of London, Kensington and Chelsea, as well as Westminster, will continue to run their housing options service, despite it not being a statutory requirement. Of course, specific central Government resources are provided through the preventing homeless grant, which is paid to those hot spot areas. London authorities are the main beneficiaries.

According to information from Kensington and Chelsea, its service prevented 501 households from becoming homeless in 2009-10. Westminster prevented 564 households from becoming homeless during the same period. Even in the hot spots, effective housing options services are continuing to keep people in their homes and out of homelessness. Experience in my local authority area of Stockport, which is obviously subject to far fewer pressures, has shown that the options service works well at significantly reducing the potential impact of homelessness.

The hon. Member for Plymouth, Moor View, is right: that service is very important and serves a crucial function. Of course, it saves a huge amount of money, because the prevention of homelessness does exactly that. However, there does not appear to be any evidence that there is a risk to the excellent services run across the country. They will continue to be run, and it seems burdensome to place a statutory duty on local authorities at a time when we are saying—the title of the Bill is a give-away here—that localism is a matter for local determination. The way that local authorities run their options service, and the way that they deliver, should be shaped to meet local circumstances, rather than being part of a nationally prescribed scheme. I am extremely sympathetic to the outcome that she wants, but I hope that I have demonstrated that what she wants already exists, and that we do not need a central Government, dead, bureaucratic hand to be placed on existing, functioning arrangements.

The second set of amendments deals with registration schemes and the quality of the private rented sector. The hon. Member for Plymouth, Moor View, rightly drew attention to my concerns about that, which I have expressed in early-day motions and in speeches during my time in Parliament. That matter clearly needs to be taken very seriously. We need to recognise that many local authorities—particularly the larger ones—have registration schemes that are shaped to meet their circumstances and to deliver the standards that they believe are relevant in their area. The private rented sector is not, as she says, largely unregulated. The Housing Act 2004 introduced the housing health and safety ratings system, which allows local authorities to assess private properties in relation to a wide range of hazards. It also gives local authorities power to enforce compliance.

The hon. Lady rightly said that the proportion of non-decent homes is higher in the private sector than in the local authority and public sector, but the figure is not as significantly higher as one might expect—some 40% of homes are non-decent in the private rented sector, compared with 32% in the local authority sector. The English housing survey has shown that a large number of homes in the private rented sector are judged to be non-decent because they have particularly steep staircases. That is a function of their age and design, rather than reflecting their actual standard for occupation. Again, we should not have an exaggerated view of the difficulties.

The hon. Lady said that 32% of homes in the local authority sector were non-decent. I remind her that there is no ruling—and the amendment does not provide one—that a homeless family may not be placed in a non-decent social home. Indeed, members of the Committee might agree from casework experiences that local authorities often put homeless families in hard-to-let accommodation, which is often non-decent accommodation. It would seem a little perverse to have a rule requiring a decency standard in the private rented sector that we are not requiring in the social sector.

Let me turn to the amendments tabled by my hon. Friends the Members for St Austell and Newquay, and for Bradford East. There is a good deal of overlap between what is proposed in those amendments and in the amendments on which I have already commented. There is concern about whether the accommodation

[Andrew Stunell]

into which a homeless family is placed will be satisfactory. I draw the attention of my hon. Friend the Member for St Austell and Newquay to the requirement for the local authority to ensure that any offer is suitable. I have outlined to the Committee the factors that a local authority must take into account by law; if it does not take them into account, it can be challenged in the courts.

There was a point about accredited landlords and standards. A large number of local authorities, particularly the larger housing authorities, already have accredited standards and use them as a vehicle for improving standards in the private rented sector. However, as my hon. Friend the Member for St Austell and Newquay said, there is a shortage of accommodation in all sectors at the moment. We have more households than homes, which means that resources are scarce. We must not create a system of regulation in the private sector that is so burdensome that landlords withdraw from that sector, fail to come forward, or refuse to accept homeless social tenants nominated by the local authority.

Stephen Gilbert: I am grateful to the Minister for setting out the Government's thinking, but there is a danger of us trying to have our cake and eat it. On one hand, the Minister is saying that many housing associations and local authorities already implement legally enshrined standards, and that if those standards are not enforced by the local authority, people can get redress through the courts. On the other hand, however, he says that there is a weak case for extending those standards to the worst parts of the private rented sector by compelling local authorities to have a code. How does the Minister square that circle?

Andrew Stunell: I remind my hon. Friend that he and I are deeply committed to a process of localism. Any local housing authority can do exactly what he has just said should happen statutorily, and a good number already do. They have that option. They will judge the circumstances that they face, the health and prosperity of the private rented sector, the pressures that they face in placing families, and perhaps the longer-term encouragement of the private rented sector in the area. It is for a local authority to take those decisions. There is nothing in the legislation that prevents it from doing everything that my hon. Friend believes should happen.

Nic Dakin: I rise to support the hon. Member for St Austell and Newquay. It is fundamentally important that protections are built in at national level to protect the most vulnerable people. The Minister has recognised the value of such measures in everything that he has said. Why leave localism to disadvantage the most vulnerable? That is not what localism is about. Standards nationally should protect the most vulnerable, and I am worried about the line of argument that the Minister has taken.

2 pm

Andrew Stunell: I have already explained the national framework. When an accommodation offer is made to somebody to whom the homelessness duty is owed, it has to be suitable. "Suitable" is not a woolly, vague

word: it is defined in law. I have already described the factors that comprise suitability. It has been tested in the courts often over the years; it is a well-understood concept. If the tenant is dissatisfied, they can ask for a review, which is undertaken by the council, and if they are not satisfied with the outcome, the matter can be taken to the county court.

That is the national framework. Within that, any local housing authority could discharge that suitability test by running an accreditation system in which any accredited property is deemed suitable. They could do that if they chose, and some already do. I say to the hon. Member for Scunthorpe that the right framework is to have a national overarching suitability test, which is not at all imprecise, and which local authorities can develop, if they think it appropriate in their area, to ensure that their scheme suits their circumstances. That is what localism is about, balanced against standards at a national level.

Heidi Alexander: I thank the Minister for his generosity in giving way. I am quite intrigued by his argument. A couple of weeks ago, we spoke about best practice among local authorities in the context of the community right to bid, and to challenge to run services. I questioned the Government on why all the prescription and legislating on that issue was necessary, given the many examples of good local authorities already doing what was proposed. This seems to be the flip-side of that argument. The Minister says that there are good authorities out there, some of which have something similar to an accreditation scheme, so we do not need to legislate. Can he explain that inconsistency for me?

Andrew Stunell: There is no inconsistency, of course. [HON. MEMBERS: "Yes, there is."] Oh no, there isn't. It is the wrong time of year for that, Mr Bayley; I apologise.

I think that I have made it very clear where the Government believe the balance lies between a national framework for the allocation of tenancies, and tailoring that to deal with local circumstances. This is not a question of good and bad authorities, but of fundamentally different situations facing them. I speculate, but I imagine that a large number of shire district housing authorities outside urban areas will see no need even to think about the application of this particular flexibility. However, the consultation report clearly showed that some authorities would very much like the opportunity to take advantage of this flexibility.

Jack Dromey (Birmingham, Erdington) (Lab): The Minister talks about the concept of suitability. Ultimately, that can be tested in the courts, but that cannot be the right way to proceed. Is it not the case that we need confidence: first, that the public has confidence that public money is spent wisely and properly on decent accommodation for the most vulnerable in our society; secondly, that the council has confidence that tenants are being placed only with good landlords; thirdly, that the homeless have confidence that if they are being placed in private sector rented accommodation, it is decent; and, fourthly, that good landlords have confidence that they are not being undercut by the bad? If it is being suggested that those objectives are shared by all on both sides of the House, why not give effect to them in the Bill?

Andrew Stunell: The suitability test does exactly what the hon. Gentleman is talking about. I do not know why he thinks that that is not the right way to go. If we accepted the principle of there being a statutory need to do all the additional things he describes, cases would be still be settled the same way—there would still be disputes; they would still go to the court. His point might be that he does not think that that court is the right place for the process to happen, but introducing another law will not reduce in any way the intervention of the courts if the decision is taken in an improper way by any local authority.

I was going to say that the suitability test has stood the test of time; it has certainly stood the test of the courts. It covers affordability. It covers size, condition, accessibility and location, which includes access to employment, access to schools and access to any necessary support. The hon. Member for Birmingham, Erdington is not necessarily wrong to say that more could be needed in some places, but more is provided in those hot spots through the accreditation schemes and others that local authorities run.

Mr Raynsford: Will the Minister give way?

Andrew Stunell: I will, but I think we have pretty much got to the bottom of what can be said about this.

Mr Raynsford: The Minister argues that the suitability test has stood the test of time. Does he not recognise that the test of time has operated in a context in which homeless applicants have had a right to say no if they were offered something unsuitable? He is taking that choice away. To argue that something that has operated when the homeless have had a choice will be unchanged when they do not seems to run counter to common sense.

Andrew Stunell: It might seem that way to the right hon. Gentleman, but there is a suitability test that is applicable and enforceable, and that provides the protections that hon. Members seek.

Nic Dakin: I am listening carefully to the Minister and he is being generous in giving way, but it seems to me that a suitability test applies to everything except the suitability of the property. That is the point that we are making. We should make sure that there is some protection around the suitability of a property for the most vulnerable people in our society.

Andrew Stunell: I thought—no, I will take a deep breath on that one. As I said, suitability depends on a number of things, including the size of the property, its condition and its accessibility. What the hon. Gentleman says is just not correct. I invite the Committee to reject the amendments and to support clause 124.

Siobhain McDonagh: On a point of order, Mr Bayley. I wish to oppose the whole clause. Should I do so during the stand part debate?

The Chair: Yes, that would be the time to do so.

Stephen Gilbert: I, too, share concerns about the potential for an accreditation scheme in the private rented sector. I heard what the Minister said, and of course I accept that the suitability test is there to assess affordability, size, location, accessibility and conditions,

and to provide an avenue for legal redress against the local authority. However, that right is probably not widely known, and when we are talking about some of the most vulnerable people in our society, exercising that right of redress will be difficult, complex, time consuming and, given that it might involve legal action, possibly expensive.

Siobhain McDonagh: In the spirit of joined-up government and policy, I should point out that testing suitability through the courts or judicial review will become exceptionally hard when legal aid is withdrawn for precisely that sort of action.

Stephen Gilbert: The hon. Lady is glamorously dressed and she tempts me down a route on which I shall not venture. Nevertheless, she has had the opportunity to put her point on record.

The suitability test that is outlined as protection by the Government does not cover the speed at which premises are repaired or whether the conditions of the agreement are fair—what we would accept for ourselves—such as whether tenants are allowed pets, or visitors after a certain time. We have an opportunity to include an additional set of obligations in the Bill to protect the most vulnerable and to drive up standards—not just for them but across the private rented sector—at the same time as ensuring that our principal concern is met: the proper use of public money.

I was not clear whether the Minister had finished his remarks on all the amendments. He did not refer to the possibility of a two-step discharge, which might address some of these problems. Under that proposal, an assessment could be made after six months in the private sector of whether the accommodation remained appropriate for that person. Perhaps the Minister will explain—orally or in writing—why the Government do not see merit in that proposal.

Alison Seabeck: The Minister's response has been wholly unsatisfactory, and at times completely contradictory, as he has tried to justify the wording of the Bill and the change he proposes. There is a lot of common ground between the Opposition and the Liberal Democrat Members on the amendments and our genuine concerns, some of which were expressed by the Minister.

The Minister's assertion that families have a choice does not stand up, even when he prays in aid issues around temporary accommodation. We have heard from a number of Labour Members about cases that make a nonsense of the Minister's argument. It is not desirable that people spend three years moving around temporary accommodation. However, what is proposed leaves people with no choice but to go into the private rented sector. They might have a landlord who wants to extend their provision beyond 12 months, but they might not. People could find themselves in another revolving door, with all the instability that comes with that.

The Minister talks about safeguarding, but it is for only up to two years. After that, the tenants are on their own, and the landlord will have no duty at all. Given the housing benefit changes that are being brought forward, a number of authorities will be shipping people outside their borders, so there could be a difficult impact on the receiving authorities when that two-year period is up. My hon. Friend the Member for Scunthorpe put his

[Alison Seabeck]

finger on the button with his assessment that the provisions were being weakened. The Minister made great play of the quality of people's homes and the roofs over their heads, and said that there was concern about the standard of homes in the social sector. However, an awful lot of work is going on in the social sector, and every local authority, through the decent homes programmes, is trying to bring homes up to a certain standard. My local authority, which is not a Labour authority, endeavours to ensure—or it certainly did when it was managing the homes—that homes are improved before moving people into them. That simply does not happen in the same way in the private rented sector.

2.15 pm

The Minister seemed to condone allowing the worst landlords in the private rented sector to continue to make money out of taking homeless applicants, which is frankly outrageous. Landlords should not be in the business of renting out property if it is not of a decent standard, and the idea that that can be acceptable, or even encouraged under legislation, is entirely wrong.

I would like to make a few additional points about the clause that are separate to the amendments. Would you like me to carry on, Mr Bayley?

The Chair: No, we will stick to the amendments for now. I am minded to have a hopefully quite short stand part debate later on.

Alison Seabeck: I will wait for the stand part debate to make my further points, Mr Bayley.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 14.

Division No. 28]

AYES

Alexander, Heidi	Mearns, Ian
Dakin, Nic	Raynsford, rh Mr Nick
Dromey, Jack	Reynolds, Jonathan
Elliott, Julie	Seabeck, Alison
McDonagh, Siobhain	

NOES

Barwell, Gavin	Morris, James
Bruce, Fiona	Neill, Robert
Cairns, Alun	Ollerenshaw, Eric
Clark, rh Greg	Smith, Henry
Gilbert, Stephen	Stewart, Iain
Howell, John	Stunell, Andrew
Lewis, Brandon	Wiggin, Bill

Question accordingly negated.

Amendments made: 168, in clause 124, page 110, line 35, after '(c)' insert

'in a case which is not a restricted case.'

Amendment 169, in clause 124, page 110, line 36, leave out first 'the' and insert 'a local housing'.—(Andrew Stunell.)

Question proposed, That the clause, as amended, stand part of the Bill.

Siobhain McDonagh: Clause 124 is the reason why I wanted to serve on the Committee, and I oppose it on ideological grounds. My reasons are not about the private or public sectors, nor are they about vulnerable families—a lot of the homeless families I see are not vulnerable; they simply need somewhere to live. My ideology is that of work. I believe that everybody who can work should work, and that no social policy should get in the way of that objective. For that reason, I ask Government Members to consider my comments. I do not believe for a minute that the Committee will vote against clause 124, but I want to ask the Government to go away and question some of what I have said and to see whether they can share any of my views and those of other Labour Members. I am happy to provide my figures, which have been provided by the Library.

I want to show why the measure will mean that people in my constituency will not work and better themselves—it will be an aspiration tax. It may be such a tax for not only the current generation of parents, but their children who want to better themselves through university.

My constituency is in south London at the end of the Northern line. It is not an expensive place in London terms, although I accept that it is exceptionally expensive compared with the constituencies represented by some members of the Committee. Some 24% of people on housing benefit in Mitcham and Morden work. The overwhelming number of people on housing benefit are not unemployed—they work, care for somebody or are disabled. If, after approaching Merton council, a family are discharged to the private sector against their will, there will be enormous consequences.

I am trying to convey these arguments through the people whom I have met, such as Miss James and Mr Brown. Mr Brown is a postman, and Miss James works in an after-school club at Haslemere primary school, which her two kids attend. They have an income of about £26,000 a year, which is roughly £500 a week. If they are discharged to the social sector, the median rent for a two-bedroom property will be £95 a week. On their income, they would not be entitled to housing benefit, so they would be floated off benefit and could pay their own rent. However, if that same family on the same income are discharged to the private sector, their median rent for a two-bedroom property is £196.15 a week. On the same earnings of £500 a week, they will be in receipt of housing benefit, and they will stay in receipt of housing benefit even if they earn £200 a week more, at which stage they will get £17.77 a week in housing benefit. In addition to receiving housing benefit to the order of £20, they will also be £83 a week worse off than if they were in social accommodation.

The aspiration tax comes in if they work to raise their income from £600 to £700, because they will gain only £25 of that additional £100 a week. Although they will be working extra hours and encountering the additional difficulties of looking after their young children, of the £100 extra that they earn, they will keep only £25. In the social housing sector, however, they would keep £68. That is the difference for such real families. The marginal rate of tax for a family earning £100 more a week is 75% in the private sector and 32% in the social sector.

Let me cite another example involving two adults, such as Mr and Mrs Ossai, and four children in a three-bedroom house. I am sure that nobody would

suggest that such a property was palatial or that the family would have too much space. Mrs Ossai is a district nurse—a great lady—and her husband had a building company that went down the tubes, so he works when he can. In social housing, if they were given a three-bedroom house, the median rent for their property would be £105 a week. When they reach earnings of £650 a week, or £34,000 a year, they would not be entitled to housing benefit, and they would be paying their own rent. In the private sector, however, for an equivalent property, for which the median rent is £253, they would be able to earn £1,000 a week and still be on housing benefit. In fact, under the Government's proposals, they would lose their child benefit rather than their housing benefit. They would not only be a responsibility for the state, but find their own income drastically reduced, because they would be £41 a week worse off than a family in a rented unit in social housing. If their income was to increase from £700 to £800 a week, they would receive only £10 of that additional £100. Is that an incentive to go work?

Gavin Barwell (Croydon Central) (Con): The hon. Lady's south London constituency is close to mine, and she makes a valid point about the marginal rates of taxation experienced by tenants in the private rented sector in receipt of housing benefit. However, I am not sure why she is speaking against clause 124, because I put it to her that nothing in the clause will change the number of families in her constituency who are allocated social housing in any given year. The people might change, depending on the particular policies that Merton council adopts, but it will not change the number of families in her constituency who get allocated a social housing tenancy as opposed to a private rental. Her argument is not about the clause; it is about the need for more social housing.

Siobhain McDonagh: The hon. Gentleman is right that my argument is about the need for more social housing, but he is wrong to say that the proposal will change who is being housed. People who are in overcrowded conditions will obviously get the larger properties, and the less popular one-bedroom flats will be left, and families and people with children will not have access to them. The hon. Gentleman is one of the people whom I hope will consider my argument, because he knows exactly what I am talking about, because he represents a similar area.

I am sorry if Members are becoming bored, but this is a passion of mine, and I want to ensure that everyone understands exactly what is going to happen if you force families into the private sector against their will. If the income of a family in a three-bedroom house in the private sector increases from £700 to £800 a week, they will be £10 a week better off, but they will still be receiving £107.45 in housing benefit. Is that how we want to spend taxpayers' money? I suggest that it is not; it is bad for us and bad for them.

The council was trying to persuade Mrs Ossai to take a private sector property. She is a good woman who wants to do what is best. She does not want to be homeless and she was about to accept the property. I pleaded with her not to do that because of what would happen to her family financially. She accepted a three-bedroom flat on an estate that is not the nicest place in the world—nobody here would choose to live there—but

not the worst. Having that lady, who is a district nurse, and her family who work, with the kids getting on, is great for the block of flats in which she lives. She provides an example and a way forward, and, before we know where we are, she will be caring for the other people in her block, which she is happy to do.

Gavin Barwell: Again, I am absolutely with the hon. Lady on the need for people in our estates who are in work, which she touched on earlier. For her argument to have merit as opposed to giving us an individual powerful example, however, she would have to demonstrate that the people who are accepted as homeless in Merton are more likely to be in that in-work income range than people on the housing waiting list. My experience in Croydon is that, if anything, the converse is true. If more social housing spots are allocated to people who were on the housing waiting list, more tenancies will be given to people who are actually in work and who need the kind of support that she is discussing. There might be good housing reasons for not doing so, but that is right in respect of her particular point.

Siobhain McDonagh: I am sure that the hon. Gentleman does not mean this, but I feel that this is about the belief that all homeless families are young single-parent mums who do not want to work and all the rest of it. The case is that my borough discharges some 10 homeless families a month into the private sector. The group that overwhelmingly enters that sector of their own free will are precisely those young mums, because they are not going to work. They are not at a stage of their life at which we could get them to work—they are probably not at a stage in their life at which an employer would take them on—but with the help of others, we hope that that will change in the future.

2.30 pm

I disagree with even 10 homeless families a month being discharged to the private rented sector. I want to do my best to get young mums into work, because that is best for their children. It is a travesty that we would choose to put a family with children into a home in which the parents cannot go out to work every day. The only way to teach the children is through the behaviour of the parents. Unless we get them into accommodation in which they can afford to live like that, there will be a huge social problem in the future.

I do not mean to tax the Committee, and I am sorry if I am, but I want to give two more examples. The first is Gerard, who worked for a housing association. He worked in social care, and he was extraordinarily successful. He had a good income and did not need any help from anyone, but he met up with the wrong partner. They had a volatile relationship, and he started to drink. He lost his home, so he started sleeping rough. His job collapsed on him—he could not do it—and he had a breakdown. He had a number of psychotic episodes and he took a long time to get better.

The council eventually gave him a one-bedroom flat around the corner from where I live. His rent is £80 a week, so he only has to earn just above the minimum wage to pay his rent without help from housing benefit. He has gone back to caring for people supported by the independent living scheme. There is not a lot of pressure and he has the skills, so he manages to do the job. Had he been placed in the private sector, and as a vulnerable

person he could have been, he would be on as much as £400 a week and be in receipt of housing benefit. And, again, if he raised his income from £300 a week to £400 a week, he would only have been £24 a week better off; whereas somebody in social housing would be £68 a week better off.

I do not want to try the Committee's patience, but I want to give one more example, which I find staggering. My hon. Friend the Member for Lewisham East and I have very large Tamil populations in our constituencies. In the UK some 80% or 90% of Tamil families, no matter what their social circumstances, send their children to university. More Tamil girls than Tamil boys go to university. Education is incredibly important, and I am seeing increasing numbers of Tamil families being evicted because of the uplift in rents and other such things.

A number of Tamil families have come to me, and I want to tell the Committee about Mr and Mrs Alegaratnam, who recently obtained a tenancy from Moat housing association. They have a number of children and live in a three-bedroom house. Their rent is £105 a week and they are earning just over £300, so they can afford to pay it themselves. Had they been discharged to the private sector, they would be in a property with a median rent of some £253 a week.

Mr and Mrs Alegaratnam have two children just about to go to university. The family have nothing, but the kids are going to Oxford and Cambridge. That is a magnificent statement about our country, and it is a magnificent statement about that family. But if their two daughters go to university in September, the reduction in the family's income would be staggering, because they would then be under-occupying the family home. So not only will they have a shortfall in their rent because of the introduction of the 30th percentile restriction, but they will be under-occupying. We could not believe the figures when we looked at them: when the two girls go, Mr and Mrs Alegaratnam will be left with £41.66 of that £300 a week. With an income of £400, after paying their rent they would be left with £65 a week. If someone knew their mum and dad were going to be left with that amount, would they leave the household? They will not; I would not, and I am sure most members of the Committee would not.

That is the real consequence of these measures. How can we have the big society of the Government's ideology, if we do not allow people to access it or the fundamental building blocks of work to better one's family? I have tried to work that out. But other than having a rather mean-spirited ideology—I would not suggest that Government Members have such an ideology—I do not understand why someone would want to do that. I have looked at the analysis of and the evidence for the homelessness policy, and I ask all members of the Committee to look at the impact assessment because it explains why the Government are doing it. I am not the best accountant in the world; I am not any sort of accountant. Members of the Committee may understand how the figures stack up better than I do.

Page 66 of the assessment suggests that over 30 years there will be a saving of £6.8 billion because temporary accommodation will no longer have to be paid for. A small amount of that is because councils will no longer have to process the bureaucracy of temporary accommodation. Page 75 assumes that there will be 20,000 discharges of duty to the private sector each

year, but there is no assessment of how much the increased housing benefit costs for those 20,000 families will cost the taxpayer. If, over a 10-year period, each family costs only £10,000 more a year—£20 a week—within 10 years there will be no savings. As we know, rents in the private sector for two-bedroom properties are about £100 more a week than in the social sector. I appreciate that not every area costs as much as Mitcham and Morden, but many areas cost more.

We must look at the figures and challenge them. I do not believe that we—or more importantly, the British taxpayer—will save anything. We will, however, incontrovertibly place 20,000 families a year in a position where there will be an impediment for them to do everything that our families did for us, whatever walk of life we came from. My dad worked on buildings, and I saw him go out to work every day from Monday to Saturday until he was 70. He believed absolutely in the power of work to support a family, and as a moral good to keep a person fit and healthy, both mentally and physically. It is also good for a citizen to pay taxes and pay for services that they, and members of their community, may need when vulnerable. Look at the figures, look at the effects and think seriously about this issue.

Mr Raynsford: I feel privileged to follow that extremely powerful speech by my hon. Friend the Member for Mitcham and Morden. She has a long tradition of concern and care for homeless people and for housing, and she made an incredibly persuasive case. She rightly highlighted the impact that the changes proposed by the clause, and other measures in the Bill, will have on ordinary people and on those who, under current arrangements, might have the prospect of moving into more secure accommodation after a period of unsettled existence due to homelessness. It is important to give such people the opportunity to rebuild confidence in their lives, get back to work, and put their children in a school in the comfort and knowledge that they will remain in that area. All those things are being undermined by this provision.

We all recognise the importance of policies that discourage dependence and encourage people to make the most of their potential. As my hon. Friend urged the Committee, we should be thinking of that when we consider the clause. She rightly emphasised that, in general, homeless people are not different from other people. There are some who have special problems, but the vast majority of homeless people are those who have fallen on difficult times. They may have lost their home through a variety of different circumstances, and they are exposed to all the horrors of not having a home. Above all, they need help and support to get back on their feet and to move back into the mainstream and normal life.

That is what brought me into working in housing in the late 1960s. I was of the generation that saw “Cathy Come Home” and was horrified by the revelation in that powerful programme of just how badly we as a society treated homeless people in the 1960s. It was a revelation. I was not aware that old workhouses were still being used as accommodation, or that families were routinely split up and husbands were not allowed to go into accommodation for homeless families—only the women and children could go in, and the husbands were split away. There was no proper safeguard for homeless families or people. That led me not only to

work in the voluntary housing sector, but to campaign in the 1970s for a law that would give hope and security to homeless people and help the process that I have just described.

That process involved helping homeless people through the difficulty and back into the mainstream of society, rather than allowing them to be stigmatised, marginalised and punished, as was the case before the Housing (Homeless Persons) Act 1977. That Act was very important, and I helped Stephen Ross, the Liberal MP for the Isle of Wight, who bravely undertook to promote that as a private Member's Bill in 1976, a time when he could have easily adopted other causes that might have been more popular in his constituency. I know from talking to him at the time that he was determined to do something hugely important for society, not just take on something that would be popular and help him to win a marginal seat in the ensuing general election, so I pay huge tribute to him. He did so with the support of the then Labour Government, which had a wafer-thin majority, so Liberal support was important. The two parties worked together, and that legislation was the product of Labour and Liberals working together to give rights to homeless people.

I am sorry to say that the Conservative party at the time opposed that legislation. It voted against it and fought it literally clause by clause through this House. However, it got onto the statute book and made a difference. It changed attitudes towards the homeless, and it ensured that provision for homeless people was brought into the mainstream of housing provision, rather than being something on the margins that separated them from the rest of society. That continued throughout the 1980s, until in 1996 a Conservative Government sought to weaken the safeguards for homeless people. In Opposition, we in the Labour party fought that unsuccessfully, supported by the Liberal party—I think they were the Liberal Democrats by then—who were absolutely at one with us in defending the 1977 Act against the Tory Government's attempt to weaken it. I welcomed that support.

In 2000-01, when I was Minister for Housing and Planning, I had the privilege of introducing the Homes Bill, which reinstated the principal safeguards of the 1977 Act which had been weakened by the 1996 legislation, and also introduced the concept of local authorities developing homelessness prevention strategies. That Bill did not reach the statute books immediately—it fell because of the 2001 general election—but it was re-introduced by my successor immediately after that election, when I had moved to another responsibility, and made it on to the statute book. That was passed by a Labour Government with the support of the Liberal Democrats. In fact, I well remember the right hon. Member for Bath (Mr Foster), who led the Opposition for the Liberal Democrats in the Committee that discussed the Homes Bill in the run-up to the 2001 general election. He was pressing us to go further, rather than saying we should weaken in any way our commitment to homeless people.

This is what really saddens me about what is happening now, because we are seeing here a coalition of Conservatives and Liberal Democrats weakening a piece of legislation that should be a proud monument to parties working together to advance the prospects of disadvantaged people and help those in difficult circumstances to get

back on their feet. I am delighted that the hon. Member for St Austell and Newquay has—to a degree—maintained the honourable tradition of his party in seeking to safeguard the position of homeless people. I hope when on Report he will continue to do so with a commitment to voting for his views, rather than simply articulating them.

I say to this Committee, and to all Members of this House, that this is a retrograde step. This is weakening the safeguards for homeless people. As my hon. Friend the Member for Mitcham and Morden so eloquently said, it will expose more people to a position where they are subject to a dependence on benefits; where the work incentives are to very large degree taken away by punitive rates of taxation because of the withdrawal of benefits; and where they do not have the security to be able to rebuild their lives because they live in insecure lettings where they cannot be certain they can stay from one year to the next and continue to occupy it as their home, providing they pay the rent and meet the tenancy obligations. This is a sad, retrograde step, and I believe that the House will ultimately regret it and will come to realise that if it passes the clause, and the Bill, it will have made a serious mistake.

2.45 pm

Alison Seabeck: I am almost at a loss as to how to follow those incredibly well-informed and passionate speeches from Labour Members who have a wealth of experience. My hon. Friend the Member for Mitcham and Morden made an extraordinarily strong case. I urge the Minister to look at the figures that she provided and share them with officials and indeed with colleagues at the Department for Work and Pensions. They are relevant not only to this debate but to the upcoming debate on universal benefits. The questions that the hon. Member for Croydon Central legitimately asked deserve to be considered along with that, not least because my hon. Friend's figures reinforce her case.

My right hon. Friend the Member for Greenwich and Woolwich gave us all yet another vital history lesson about the importance of the homelessness legislation, and about the support and drive that came from the Liberal Democrats. I hope that if the hon. Member for St Austell and Newquay feels that some of the concerns that he raised are not responded to, he will come through the Lobby with us, because we will want to take this further.

My questions are short and sweet. Drawing on the point about the impact assessment, and issues that my hon. Friends the Members for Lewisham East and for Mitcham and Morden raised about the numbers that will be discharged into the private rented sector—about 20,000 additional households—is the Minister confident that the capacity of suitable accommodation exists in the PRS to house them? There is enormous pressure from both ends of that sector as a result of the forthcoming changes to the housing benefit system as well as from people who cannot currently access mortgages. I am sure the industry will reinforce that point and that the Minister is aware of the situation. At the same time, the number of people who are owed a main homelessness duty is starting to rise again after having fallen quite dramatically during the 10 or so years to early 2010. Can the Minister put his hand on his heart and tell us that the private rented sector will also want to prioritise

[Alison Seabek]

local authority placements when it has other options and may well be able to charge higher rents to people including, perhaps, some of those families who are returning from Germany? They may not need social housing but may need space in the private rented sector.

Why did the Minister not feel that it was necessary to carry out a full health and well-being impact assessment of the measures relating to homelessness? It is well recorded that uncertainty about one's housing status and constant moving between properties can give rise to health and mental health problems. We have already debated the condition of the stock at the cheaper end of the private rented sector, which causes ongoing health concerns. A number of mental health charities have expressed concern about that and I would like to know why there appears to be this omission in the papers with which we have been provided.

The local government ombudsman is already receiving a large number of complaints about councils indulging in what are described as gatekeeping activities, and trying to offload people into housing outside their boroughs. A recent case highlighted in *Inside Housing* concerned Richmond council, which failed to house a woman who was eight months pregnant. She was told to go to Wandsworth, but she wanted to stay close to her family for support and because of her expected new arrival. The local government ombudsman found in her favour. Has the Minister considered the potential rise in such cases and other legal actions, and the additional costs that local authorities will face in legal fees as a result of this? I could not find a reference to that in the impact assessment, but I may have missed it.

Gavin Barwell: I shall not detain the Committee long. I want to elaborate on the point I was trying to make to the hon. Member for Mitcham and Morden when she generously allowed me to intervene twice and, with some trepidation, I want to respond to the right hon. Member for Greenwich and Woolwich. I was David Curry's special adviser sitting in the corner of the Committee Room during the debates on the Housing Act 1996 when the right hon. Gentleman was chief Labour spokesman.

Our fundamental problem is the lack of secure accommodation. My view probably differs slightly from that of Labour Members in that I believe that many of the people I see at my surgeries who have either been accepted as homeless or who are on the housing waiting list do not necessarily require a tenancy for life. They certainly need more than a six-month tenancy and in many cases they need more than a two-year tenancy. They need a significant degree of security. There are not many people for whom the right solution is to be given a lifelong tenancy, but I certainly accept that the issue is a lack of security of tenure, particularly for people with children, who wish to settle in an area and have their children go to school. That is the fundamental problem.

I am absolutely with the hon. Lady on the importance of promoting work and the massive issues that we have, particularly in London, because of the levels of rent in the private rented sector and the way that housing benefit is structured and the marginal rates of tax that people face when we place them in the private rented sector. The point I was trying to make in my intervention

is that I am not sure that the clause necessarily has the effect she describes. It seems to me that the stock is what it is and we need to increase the stock of secure housing. The issue is how we allocate a scarce resource.

Heidi Alexander: Will the hon. Gentleman give way?

Gavin Barwell: Let me develop the argument and then I will happily give way. At the moment, councils can discharge the duty into the private rented sector with the permission of the person concerned. The fact that some people object and others do not does not necessarily strike me as the most rational way to allocate our secure housing stock. Nothing in the clause will change the availability of secure stock in any of our constituencies.

A good council will benefit from the ability to decide between people who are on the housing waiting list, many of whom are in acute housing need. I am sure that the right hon. Gentleman and the hon. Member for Mitcham and Morden would agree that in relation to their constituencies. For people who have been accepted as statutorily homeless, the authority should be able to decide where the priority lies in each individual case as to who is best placed in a secure tenancy and who is best placed in the private rented sector. I should like to see more secure tenancies so that more people could be placed in that environment.

Heidi Alexander: The hon. Gentleman speaks a good deal of sense on some of these issues. He talks about the need for more homes where secure tenancies are available. I agree with him 100% on that. Does he believe that the Bill overall, particularly the provisions in the planning part, will lead to more of that type of housing being built in the coming years? Does he believe that the reductions in capital grants to the Homes and Communities Agency will result in more homes of that type being built? I completely agree with him. We come back to the issue of a lack of affordable housing. That is the real rub.

Gavin Barwell: I will be brief as I promised I would be. The answers to her questions are yes and no. I believe that a lot more is achieved through incentive than from forcing people to do something they do not want to do. If the Government get the level of the new homes bonus right and if they review that as it rolls out, I believe it will lead to more housing development over time. It is a question of getting the level of the incentive right. The dangers that Labour Members have warned about are there. It is a question of balancing these things correctly. I am an optimist on that point. Clearly the reduction in HCA funding is not helpful in this context. I do not want to reopen the issue of the deficit and the need to deal with it and where responsibility lies, but it would be silly to deny that that is a concern in that regard.

I rose to speak to make that point. The points that the hon. Member for Mitcham and Morden made about the problem are spot on and I hope that the Minister, for whom I have a great regard, will have listened to that because those of us who represent our kind of constituency see that every day. However, I am not sure that her argument stands that this clause will make the situation worse.

Andrew Stunell: We have had a well-informed, interesting and useful debate. The passion and commitment of the hon. Member for Mitcham and Morden shone through, as did her careful research. The essence of my reply was provided by my hon. Friend the Member for Croydon Central. For every person the hon. Lady described who is at a disadvantage as a result of moving into the private rented sector, there will be somebody else who does get the social home that they might have got, who will have the benefit. One household gains, another household loses. I am not persuaded that it would be better for the individuals and households she brought eloquently to the Committee to be in private rented temporary accommodation for three years, not knowing whether they were there for a week, month, year, two or three years. It would be better for them to be in a secure assured tenancy as set out in the legislation.

Mr Raynsford: Will the Minister give way?

Andrew Stunell: Let me make my point a little further. The hon. Member for Mitcham and Morden raised a linked point about whether the assessment of costs in the impact assessment was right. I want to make it clear that the impact assessment balances or offsets the cost of housing benefit in temporary accommodation against the cost of housing benefit in the private rented sector as a consequence of making these changes. The housing benefit costs are higher in temporary accommodation to cover local authority management costs and voids, because units are usually procured for several years at a time.

Siobhain McDonagh: Will the Minister give way?

Andrew Stunell: I will give way to the hon. Lady—I owe it to her—but I will give way first to her right hon. Friend.

Mr Raynsford: While the Minister is right to say that across the board there is an average period of three years in temporary accommodation, there are many authorities—such as my own in Greenwich—that have worked hard to minimise the use of temporary accommodation. Thanks to that, in our area there are not a large number of people—in fact very few—in temporary accommodation. That, again, is the product of authorities doing the right thing. I hope the Minister will recognise that they should be encouraged to that, rather than simply tip more people into private lettings, which I fear will be the consequence of the clause.

Andrew Stunell: I am practically certain that my own local authority would be in the same position. I made the point several times in the earlier debate that I would suppose that a large number of housing authorities would see no need to take advantage of this flexibility. The consultation showed that a good number would like the flexible option to be available to them. It could well be that my local authority and that of the right hon. Gentleman would not.

Siobhain McDonagh: May I quote a sentence from the impact assessment? It states:

“Housing benefit costs/savings are not typically included in economic analysis given that housing benefit payments generally represent a transfer from one part of society to another—in this case, the taxpayer to the landlord. However, given the higher costs

(and hence inefficiencies) associated with temporary accommodation savings in housing benefit expenditure on temporary accommodation are included in the economic analysis; they are assumed to provide economic benefits.”

At no place in the document are the costs assumed of the 20,000 families to be discharged each year into the private sector.

Andrew Stunell: I believe the hon. Lady is mistaken, but I think it better for me to write to the Committee with the detailed information on that point. I certainly do not want, in any way, to trivialise the strong case that she has made for families to have accommodation where they can feel secure and build a future for themselves. The debate is centred around whether the Government providing an option for the most hard-pressed local housing authorities, which cannot avoid having substantial numbers of residents, to whom they owe a homeless duty, stuck in temporary accommodation, will actually improve the possibilities and options for those families. Our case is that the proposal provides a safety valve that can do that.

3 pm

I say to the right hon. Member for Greenwich and Woolwich, who has a lifetime’s professional experience working in this field and with whom I tangle with the greatest trepidation, that it is certainly right that homeless families should be helped back into the mainstream as soon as possible and that—he and I share this view—if we had more social housing, that would be easier to achieve. I have already pointed out to the Committee that we actually have significantly less rented housing available—420,000 fewer social homes—than in 1997. Our analysis, therefore, is not hugely different.

I want to come back to what is, at least for me, the core point. The hon. Member for Plymouth, Moor View challenged me on when I changed my views. My views have not changed, but I believe that we cannot be blind to the fact that there are thousands of families stuck in temporary accommodation, because there is no prospect of them getting social housing for a long time. Providing a gateway for those people to re-establish their lives is the right way to go.

Alison Seabeck: The hon. Gentleman says that, basically, all he is doing is moving the pieces around. He said that one family would move in and another would move out. Unfortunately, nothing will change. His assertion that the problem will somehow be resolved is plain wrong, and it weakens the current provision.

Andrew Stunell: I am afraid that the hon. Lady has not quite understood the point that I was making. It is of course true that only one family out of two can occupy a newly vacant social home. The housing authority has to make a reasonable assessment of which of those two families has the highest level of need. At the moment, that decision is pre-empted by legislation that says, regardless of their respective need, the family for whom a homeless duty has been accepted has to take that accommodation. They may still take that accommodation in future, but it will be on a level playing field between the two situations. The two families will be judged on their respective levels of need. Homelessness is not a trump card for a local authority that chooses to exercise

[Andrew Stunell]

that particular flexibility. As I have said, it is not a flexibility that must be universally applied by any local authority. An authority that decides to exercise it does not have to exercise it in every case. They can look at the circumstances that the families face, and their housing allocation policy, which, as we have already dealt with, will be published and transparent, will be the judge of that.

I have dealt with the point about costs from the hon. Member for Plymouth, Moor View, but, as I have said, I have undertaken to write to the Committee, because that is clearly a matter of dispute. She also asked me about capacity. We have mentioned the two families situation, but where are they at the moment? One of them is in temporary accommodation, and the other is probably in private rented accommodation, on the housing waiting list and seeking priority access to social housing. We do not actually require 20,000 new private rented sector homes, because some of the homes will be vacated by people going into social housing that homeless families did not take. There is, therefore, an element of circulation that the hon. Lady needs to be aware of, and our assessment is that the capacity exists.

On the health and well-being assessment, the Department's research on people in temporary accommodation found that waiting for settled accommodation was what created uncertainty. In fact, people in temporary accommodation are most prone to the kind of problems that the hon. Lady illustrated, which will not surprise anybody if they think about it. Being in a settled long-term tenancy is clearly a far better option.

My hon. Friend the Member for Croydon Central made a number of statements that are highly supportive of the point of view that I have been deploying, but there were two issues that it would be sensible for me to respond to. He asked whether two years was too short a time, in respect of which I draw attention to the response made to the consultation paper by my right hon. Friend the Minister for Housing and Local Government. He said that in the vast majority of cases, we expect longer-term tenancies than two years to be offered. In particular, that would be the case with vulnerable households or those with children.

The underlying point made by my hon. Friend the Member for Croydon Central was that we need more secure tenancies for families to move in to, which is absolutely right. We shall come to this issue shortly, I hope, but the affordable rent model provides a gateway for doing that. It reduces the necessary public subsidy level for each affordable home from something like £87,000 a home constructed under the existing model to closer to £35,000 or £40,000 of public subsidy for a home under the new model. That has allowed us to say that we believe it is possible to construct up to 155,000 affordable homes and homes for rent in the lifetime of this Parliament.

There are other incentives, because the new homes bonus is not only a bonus for homes in general; there is a specific premium for social and affordable accommodation, for which an additional premium of £350 will be paid. My back-room boys—and girls, of course—tell me that Merton council is already using the private rented sector as a central plank in its homelessness

prevention strategy, which is clearly the right way to go. We talked about housing options earlier, and it is absolutely right that local authorities should use all the available resources.

We have had a lively and lengthy debate, and many important issues have been discussed. A gap remains between the Government and the Opposition on this matter, but I commend the clause and our proposed changes to the Committee.

Question put. That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 13, Noes 9.

Division No. 29]

AYES

Barwell, Gavin	Neill, Robert
Bruce, Fiona	Ollerenshaw, Eric
Cairns, Alun	Smith, Henry
Clark, rh Greg	Stewart, Iain
Howell, John	Stunell, Andrew
Lewis, Brandon	Wiggin, Bill
Morris, James	

NOES

Alexander, Heidi	Mearns, Ian
Dakin, Nic	Raynsford, rh Mr Nick
Dromey, Jack	Reynolds, Jonathan
Elliott, Julie	Seabeck, Alison
McDonagh, Siobhain	

Question accordingly agreed to.

Clause 124, as amended, ordered to stand part of the Bill.

The Chair: Order. The debate has been important and passionately argued, so I did not want to interrupt the flow, but quite a lot of Members are now using the word “you” when describing people other than me. May I remind the Committee that the word “you” is used to refer only to the Chair?

Clause 125

DUTIES TO HOMELESS PERSONS: FURTHER AMENDMENTS

Andrew Stunell: I beg to move amendment 170, in clause 125, page 111, line 33, at end insert

; and

(b) in subsection (4B) for “(3A) to” substitute “(4) and”.

The Chair: With this it will be convenient to discuss Government amendment 171.

Andrew Stunell: Under the current legislation, a local authority is under a duty to provide applicants who are owed the duty in section 195(2) of the Housing Act 1996 with a copy of its policy on offering choice in allocations. As there is no longer a presumption that homeless acceptances will be allocated social housing, the local authority no longer needs to provide that information. Clause 125(3) removes that obligation by removing the

relevant subsection. Amendment 170 is minor; it removes a reference to section 195(3A) and so is entirely consequent on clause 125(3).

Amendment 171 allows the re-application of the main homelessness duty if the private rented accommodation offer ends within two years, and it makes sure that the right recurs with each fresh application. The clause as currently drafted means that the duty would be owed only once in the lifetime of an applicant, which is clearly not right, rather than once for each fresh or initial application. The policy intention is that the duty is owed to those who apply within two years of accepting an offer of private sector accommodation. Without the amendment we would not be able to deliver what is clearly the right policy outcome.

Amendment 170 agreed to.

Mr Raynsford: I beg to move amendment 252, in clause 125, page 112, line 2, at end insert—

‘(1A) For the purposes of subsection (1)(b), an applicant is not deemed to have become homeless intentionally when the applicant has been required to leave accommodation as a consequence of a reduction in housing benefit entitlement, other than a reduction which is the result of an increase in the applicant’s income.’

The Chair: With this it will be convenient to discuss amendment 253, in clause 125, page 112, line 44, at end add—

‘(10) A person does not become homeless intentionally if he has left accommodation as a consequence of a reduction in housing benefit entitlement, other than a reduction which is the result of an increase in the applicant’s income.’

Mr Raynsford: I shall be brief. We have talked about the discharge of the homelessness duty into the private rented sector, and the implications of dependence on housing benefit have already been highlighted. Amendments 252 and 253 are designed to put safeguards in place to ensure that people housed in the private rented sector who find that they cannot sustain their tenancy, not through any fault of their own but because their benefit entitlement is cut, are not penalised. The amendments have been worded fairly carefully; they do not simply say, as some voluntary organisations pressed us to say, that people should never be judged to have become homeless intentionally through housing benefit changes, because housing benefit could change as a result of a change in circumstances. They have been worded fairly carefully to apply only where people are unable to maintain their tenancy as a result of a change in housing benefit other than one that results from an increase in their income. It is absolutely common sense, and it is right to have such a safeguard.

There are two versions, but not because I am being over-diligent. Amendment 252 deals with the specific circumstances of people placed in the private rented sector under the discharge of the homelessness duty. That would apply equally to people who are in private rented accommodation for reasons other than the homelessness duty, and who are unable to sustain their tenancy following the cuts in housing benefit.

3.15 pm

In case Government Members question whether that will be serious, there will be a whole series of cuts in housing benefit over the next three years, and the cumulative

impact on certain households will be dire. First, there is the cap, which will primarily affect people in high-cost areas. Secondly, from April, local housing allowance will be based on the 30th percentile, rather than the 50th percentile, which will have a huge impact. Hundreds of thousands of people will have their benefit reduced.

Heidi Alexander: My right hon. Friend makes a valid point about how the clause will impact on people’s lives. It might help the Committee if I quickly give the example of Lewisham. Some 9,600 people rent properties in the private rented sector. The changes, particularly the calculation of LHA to the 30th percentile, will mean that on average those residents will lose £17 a week, or £884 a year, from next October. Those people do not have money left over at the end of the week at the moment. That change will put them in an incredibly difficult position in future years.

Mr Raynsford: I thank my hon. Friend for her telling intervention, in which she highlighted the impact on her constituents. Having researched the situation, I can assure her that the position in the neighbouring borough of Greenwich is very similar. Several thousand households will suffer a significant loss of more than £10 a week as a result of a change to the 30th percentile. There is also the cumulative benefit cap, which will restrict people to no more than £25,000 overall. Families living in high-cost areas with a number of children draw benefits not only from the housing element, but from others. They could easily reach a position in which they are affected by the cumulative cap.

Housing benefit is being uprated and will change from the retail prices index base, which is currently the norm, to the consumer prices index. That will erode the benefit’s value. So there is a series of cuts in housing benefit, which will have impacts that we do not yet fully understand. Very much to its shame—I made this point to the Committee that discussed the previous housing benefit changes—the Department for Work and Pensions has not done a cumulative impact assessment of how, one on top of another, those cuts will affect individual households. Some households will experience a devastating loss of income; some people will lose their home. It would be absolutely disgraceful if people who lost their home in such circumstances were judged to have made themselves homeless intentionally.

I hope that the Government will recognise that the amendments would introduce a common-sense safeguard that is absolutely essential if their intentions are to retain a shred of credibility when people will increasingly have to find accommodation in the private rented sector.

Andrew Stunell: I appreciate the concerns expressed by the right hon. Gentleman and the hon. Member for Lewisham East, but those concerns are misplaced. It is already a perfectly clear matter of law that a person cannot be found to have made themselves intentionally homeless if the homelessness was caused only by a reduction in their financial resources. That is not only about losing income, although that is relevant, but about whether they have lost support such as housing benefit. According to section 191 of the Housing Act 1996,

“A person becomes homeless intentionally if he deliberately does or fails to do anything in consequence of which he ceases to occupy accommodation”.

[Andrew Stunell]

Clearly that would not include a person who ceased to occupy accommodation as a result of a reduction in financial resources that was beyond their control. The safeguard that the right hon. Gentleman seeks to introduce with his amendments is already there, and his amendments are not needed.

However, the Minister for Housing and Local Government is aware of concerns that local authorities might choose to find homeless applicants intentionally homeless as a result of the housing benefit changes. They would certainly not be acting in accordance with the law if they did so. The feedback from local authorities is that they are very clear that the legislation around intentionality is as I have set out, and they will not be seeking to use it where homelessness is due to a reduction in the local housing allowance. The Government will carefully monitor decisions from April onwards, and can issue further guidance to local authorities on the use of intentionality should that be necessary.

Nic Dakin: Essentially, the Minister seems to be saying that the amendments are superfluous, but he then goes on to describe a situation where there may be a need to amend what is there. Why not make the amendments now and make sure that everybody is safe?

Andrew Stunell: I reported that the Minister for Housing and Local Government was well aware of the concerns that have been expressed, and which have just been re-expressed by the right hon. Member for Greenwich and Woolwich. There is no evidence that such a situation will arise; indeed, the evidence is to the contrary, because local authorities say that they understand the law and have no intention of flouting it, which is of course exactly what one would expect to hear. I went on to say that we will keep an eye on the matter, and if it turns out that the concerns expressed have any substance, there is the capacity to change things, but it is certainly not necessary to load up the Bill with the amendment that we are discussing.

Mr Raynsford: Will the Minister give the Committee an absolutely categorical assurance that he is confident that no household will be judged intentionally homeless as a result of having to leave accommodation because of a cut in housing benefit? If he cannot give a commitment that that will never happen, he and the Minister for Housing and Local Government owe it to the Committee at least to consider whether there should be something better in the Bill.

Andrew Stunell: As the right hon. Gentleman well knows, that is a “have I stopped beating my wife?” question. The fact is that when somebody leaves accommodation there might always be grounds for dispute about the circumstances, and the law clearly covers how that should be judged. What I have said, and am happy to repeat, is that we will monitor decisions, and if necessary we can issue further guidance. I think I am giving the right hon. Gentleman the back-up that he wanted: the Minister for Housing and Local Government and I—and my other ministerial colleagues—will keep an eye on the matter. We see no cause or reason to accept the amendment or make a change to the Bill at this stage, but we will have an open mind, with regard to how the evidence develops.

Mr Raynsford: I cannot be the only member of the Committee who feels that that is not a satisfactory answer. This is a genuine concern and there is real worry. The Minister himself conceded that the Minister for Housing and Local Government is worried about the matter because he has heard the force of the argument that has been deployed. As I have said, we know that the cumulative impact of the housing benefit cuts cannot currently be modelled, even by the Department that is imposing them. Very few local authorities, let alone the individuals concerned, will be in a position to assess the impact of a series of different housing benefit reductions on individual households. In that very fluid situation, where households could end up having to leave accommodation because they can no longer afford it, it seems to be only basic human decency to say that we will try to put safeguards in place to ensure that local authorities do not misinterpret the law.

I am afraid that the Minister’s case is unpersuasive. Where he feels that local authorities will not do what he wants, he puts highly prescriptive legislation in front of us and asks us to vote for it. When we come to safeguards for vulnerable people who might be prejudiced by a misinterpretation of the law by a local authority, he is not prepared to do anything. That is wholly unacceptable, and I hope that the Committee will vote in favour of the amendment.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 13.

Division No. 30]

AYES

Alexander, Heidi	Mearns, Ian
Dakin, Nic	Raynsford, rh Mr Nick
Dromey, Jack	Reynolds, Jonathan
Elliott, Julie	Seabeck, Alison
McDonagh, Siobhain	

NOES

Bruce, Fiona	Neill, Robert
Cairns, Alun	Ollerenshaw, Eric
Clark, rh Greg	Smith, Henry
Gilbert, Stephen	Stewart, Iain
Howell, John	Stunell, Andrew
Lewis, Brandon	Wiggin, Bill
Morris, James	

Question accordingly negated.

Amendment made: 171, in clause 125, page 112, leave out lines 25 to 30 and insert—

“(6) Subsection (1) or (3) does not apply to a re-application by an applicant for accommodation, or for assistance in obtaining accommodation, if the immediately preceding application made by that applicant was one to which subsection (1) or (3) applied.”—(*Andrew Stunell.*)

Alison Seabeck: I beg to move amendment 234, in clause 125, page 112, line 30, at end insert—

“(4A) In section 192, leave out subsection (2) and insert—

(2) The authority shall provide the applicant with (or secure that he is provided with) emergency accommodation where appropriate.

(2A) The authority shall provide advice and assistance such that the homelessness of the applicant is resolved by—

(a) offering or securing a social tenancy,

- (b) offering or securing a private rented sector tenancy,
- (c) offering or securing supported or other appropriate accommodation, or
- (d) through mediation, relationship support or other advice and assistance that leads to or prevents the loss of accommodation.”.

The amendment seeks to address better the needs of people who do not qualify as unintentionally homeless but who are homeless nevertheless; it might, sadly, apply to some of the people described by my right hon. Friend the Member for Greenwich and Woolwich as a result of changes to housing benefit. At present, only households that are unintentionally homeless and in priority need are entitled to accommodation. Households classified automatically as being in priority need are those that include pregnant women, dependent children, people under 18, care leavers under 21. Those with other special needs, such as disabilities or mental health issues, and victims of violence may be entitled to housing if they can prove that they are more vulnerable and at greater risk than other homeless people.

Most single homeless people do not meet those tests. However, under the law, they should still receive advice and support to prevent homelessness, address the reasons why they have become homeless or find accommodation. The amendment is supported by Crisis, which helped me to bring it forward. There is evidence that in practice—this is where Crisis’s huge experience in the field comes into play—too often the process does not happen as it ought, and sadly that inevitably leads to rough sleeping.

Amendment 234 would create a new duty on local authorities to prevent the homelessness of all unintentionally homeless people who approach them. Crucially, it would be applied far more flexibly than the main homelessness duty. We have discussed the long-term effectiveness, in terms of outcomes and cash savings, of offering good early advice and support; the hon. Member for St Austell and Newquay made a strong case for it.

Under the new duty, local authorities would be required to offer emergency accommodation to those who need it, and to work with applicants until their homelessness was resolved. Although social housing might be appropriate for some, local authorities might discharge that duty by assisting applicants in accessing supported or other accommodation, or through mediation, relationship support or other advice and assistance that leads to accommodation or prevents homelessness. Introducing a new statutory duty will set a standard minimum of help and assistance to which people would know they were entitled. The duty would seek to prevent homelessness before it becomes entrenched in an individual’s life by creating a more secure framework and a stronger safety net for people who find themselves homeless but not entitled to direct support as part of a priority group. The Minister has so far turned down all pleas for better advice and support for people in need, and I fear he will do the same now. Nevertheless, we will listen with interest to his comments.

3.30 pm

Andrew Stunell: I have some sympathy with the intentions behind the amendment.

Alison Seabek: Ooh!

Andrew Stunell: The hon. Lady will probably be disappointed by my punch line. The Government recognise that it is important to deal with the problems presented

by single homeless people. Indeed, we have established a ministerial working group on homelessness that brings together Ministers from eight Government Departments to look beyond housing, because the hon. Lady is right: the focus is by no means on housing. The problem of homelessness in those circumstances is quite often much more to do with employment, training, health, rehabilitation and other issues that generated the homelessness. The ministerial working group will follow that through.

We have also taken the practical measure of overhauling the rough sleeper count to make sure that we get a more accurate assessment of the number of people sleeping rough, so that we get a clearer picture of the scale of the problem in each area of the country. We have provided £10 million of funding to Crisis so that there can be voluntary-sector-led support for schemes on access to private rented sector accommodation for single homeless people. I visited a project in west London that provided effective support for precisely that group.

Statutory help for households not in priority need has been debated ever since the establishment of the current main homelessness duty in the Housing Act 1996. Back then, the House accepted that it was reasonable for priority accommodation to be given to certain homeless households such as families with children and people who are vulnerable for some reason. The current duty to secure advice and assistance for households not in priority need stems from the 2002 amendments to the 1996 Act, brought in by the previous Government.

The proposed amendment would put in place a duty to resolve an applicant’s homelessness by one of several means. The concern is that an amendment of this nature could create perverse incentives for applicants to ensure that mediation did not work and not to engage in robust efforts to find their own accommodation or make use of the advice, as they would know that the local authority would have to secure accommodation for them. In other words, there would be a reward for failing in that process, and the amendment would therefore amount to a duty on local authorities to secure accommodation for all homeless households, not just those in priority need.

The hon. Lady will know that to place a duty on local authorities to provide accommodation for all homeless households would be costly and impractical. Local authorities already have a discretionary power to provide emergency accommodation. That strikes a reasonable balance between the need to provide particularly vulnerable homeless households with emergency accommodation, and the costs that that creates. The Government will continue to work with local authorities to improve the assistance available to single homeless people and to encourage access to prevention schemes for all homeless households. I have already commented on the fact that every local authority in the country has a housing options service, which is available to single homeless people who are not accepted as being in priority need, just as it is to other households. For those reasons, I hope that the hon. Lady will withdraw the amendment. If she presses it to a Division, I recommend that my colleagues oppose it.

Alison Seabek: I welcome the fact that there is a cross-cutting ministerial working group looking at homelessness and at its impacts on health and education, and it would be helpful to know when to expect a report

[Alison Seabeck]

from it. I am slightly surprised, however, given the evidence that is already out there on homelessness prevention outside statutory provision. In their very good “UK Housing Review 2010/2011”, Steve Wilcox and Hal Pawson clearly set out the potential benefits of the type of measure that we are discussing; more than 5% of households that presented were supported through mediation. The figures are impressive, and the drop in the number of people being accepted as homeless up to mid-2010 was dramatic. There was not much change in the number of people under a main duty, but something else was going on, and that was deemed, by and large, to be good preventive measures, some of which were entirely voluntary.

I accept that the amendment may not be drafted as well as it could be, but it is an essential element in ensuring that the good work continues. I would be surprised if the ministerial working group were to gainsay that after looking at the bare facts and figures. I shall withdraw the amendment, but I would like the Minister to mull over the issue a little more, perhaps with the Minister for Housing and Local Government, because there does not seem to be a huge gulf between us on the issue. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause, as amended, stand part of the Bill.

Andrew Stunell: It might help the Committee if I respond to the hon. Lady’s previous comments, which I will certainly bear in mind. We are keen that we do not create a perverse incentive, but we would be happy to consider her points.

Question put and agreed to.

Clause 125, as amended, accordingly ordered to stand part of the Bill.

Clause 126

TENANCY STRATEGIES

Alison Seabeck: I beg to move amendment 255, in clause 126, page 113, line 16, leave out subsection (2) and insert—

‘(2) The tenancy strategy must refer to the policies of registered providers and explain where details of those policies can be found.’

The Chair: With this it will be convenient to discuss the following: amendment 256, in clause 126, page 113, line 23, leave out subsection (5) and insert—

‘(5) Except for the purposes of rectifying an error, an authority may not amend or replace its tenancy strategy more frequently than every four years.’

Amendment 257, in clause 126, page 113, line 33, at end insert—

‘(c) make a copy of everything published under this section available online on the authority’s website.’

Amendment 258, in clause 127, page 114, leave out lines 1 to 4 and insert

‘consult for a period of not fewer than 12 weeks on the proposed strategy or modifications to the strategy with—

(a) every private registered provider of social housing for its district;

- (b) landlords within the private rented sector for its district;
- (c) existing tenants in social housing within the district;
- (d) members of the public;
- (e) neighbouring local authorities;
- (f) such other organisations and persons as the authority considers appropriate.’

Amendment 259, in clause 127, page 114, line 18, at end insert—

‘(d) an assessment of provision for supporting people in residential accommodation.’

Alison Seabeck: This chapter of the Bill is in many ways extremely contentious, given that it relates to the reform of social housing, on which there are fundamental differences between the Conservative and Liberal parties in government, and the Labour party. However, before we come to the meat of the chapter, which is on security of tenure, we will consider the tenancy strategy clauses. They make up a relatively small set of provisions—they take up fewer than two pages in the Bill—but they have the potential to make a significant impact to the way in which registered providers of social housing interact with authorities, tenants and the wider public. They also include the additional powers that Ministers seeks to award the Secretary of State, who is accruing such powers at quite a pace as we move through the Bill.

Although we disagree with the Government on much of what we have already debated on housing, and we will disagree on areas that we are yet to cover, we have no objections in principle to tenancy strategies. I hope that that, at least, will bring a smile to the Minister’s face. However—there is always a however—although we do not have an issue with the concept of the strategies and feel that they have the potential to be a positive addition to the local housing frameworks, we have concerns about the Bill’s drafting and the implications of some of the measures. Our amendments would strengthen as well as clarify aspects of how strategies will work and interact with the public, registered providers of social housing and the private rented sector, and how they fit together with other strategies relating to homelessness or housing.

It might seem at first that amendment 255 proposes a minor change to subsection (2), but I believe that that change is absolutely necessary for the smooth running of the tenancy strategy regime. Subsection (2) states:

“The tenancy strategy must summarise...policies or explain where they may be found.”

The wording does not appear to be too controversial, but we have received representations from the housing sector and particularly the National Housing Federation—I am sure that the matter has also been raised with Ministers. The Bill appears to require the local housing authority to summarise the policies of registered providers within the local housing authority area, but the problem that arises is one of interpretation. In summarising the policies of another provider, the local housing authority might miss out on nuance or detail, so perhaps quite complex legal issues could be skirted over or omitted as part of the summarising process.

While it would be useful to have all policies available in one place, we are worried that the Bill grants local housing authorities the power to interpret the policies of registered providers in a way that might misrepresent those policies.

In an urban area covered by a number of local authorities, such as London or Manchester, local authority borders can cut through communities and housing developments owned and run by registered landlords. However, we could find that Wandsworth, Merton, Lambeth and Southwark—all boroughs in a small geographical area—interpret one provider's policies entirely differently. What potential would there then be for legal action against any of those authorities for misrepresenting those policies, or against the registered provider for failing to meet the policies that people seeking housing had been led to believe were demanded in a statutorily commanded document—the tenancy strategy? We could face the prospect of a seemingly positive and innocuous provision putting the entire policy under threat and changing it from a positive development to something burdensome and legally difficult. I will be interested to hear what legal advice the Minister was given on this point, what representations he received, and why his colleagues decided to press ahead with the wording.

Amendment 255 would resolve the problem. It would still require policies to be signposted to individuals seeking housing, or indeed anyone simply wishing to know the different policies adhered to by the various providers, but would remove the ability of local authorities to present those policies in their own words and thus the possibility of misleading information or misrepresentation. Subsection (2), as amended, would state:

“The tenancy strategy must refer to the policies of registered providers and explain where details of those policies can be found.”

That would preserve the intention of the subsection, which we welcome, but remove, we hope—the Minister's parliamentary draftsmen may well disagree—the point of real concern.

Amendment 256 deals with another concern about the impact of the clause's wording. It would remove subsection (5), which allows for review, replacement or amendment of a tenancy review as and when the local authority believes that to be worth while. I appreciate that it might seem perverse that we would wish to restrict that ability, but I assure the Committee that we have no desire to tie the hands of local government. The amendment was tabled as an attempt to ensure stability and to make sure that tenancy strategies could not be completely rewritten by a local authority at a frequency that could cause real issues.

Gavin Barwell: I think that the hon. Lady's local authority elects all out every four years, but just to the north of her, for example, West Devon district council elects by thirds. It is perfectly possible for an authority to change hands and then change hands again a couple of years later. Does not she think that it would be completely wrong to bind a new administration into a policy in the way she proposes?

3.45 pm

Alison Seabeck: If the hon. Gentleman will bear with me, I shall go through that exact scenario. His argument cuts all sorts of ways.

My concern, which has been raised with me by registered providers of social housing, is that in local authorities elected by thirds, in which there can be swings between different political parties and different groups in control,

we could see a different tenancy strategy every year. From a lender's perspective, that would be destabilising and a cause for concern. Any of those factors might affect the revenue stream or the way in which provision is offered in a particular area. Whether the change came in four years or one year later, I would not want a Labour council to be restricted from reversing a tenancy strategy that it did not like, but continuity and stability in the system are necessary, because certainty is important for lenders. We must put our political concerns aside, because developers and social housing providers will not want to build their homes on shifting sands.

I want tenancy strategies to reflect the will of the local population, as expressed through the ballot box. While we do not wish to remove the ability to review, amend or replace the strategy regularly, we want to put in place some form of calm. We felt that a period of four years was sensible. That would not deter changes from being made in the interim, but such changes should be to correct errors in strategies, which is familiar under other aspects of legislation. Our proposal reflects the normal electoral timetable of four years. We accept that some authorities are elected by thirds, but we do not want strategies to be amended year after year in such places, thus creating flux in the system.

Amendment 257 is similar to an amendment to an earlier clause tabled by my hon. Friend the Member for Worsley and Eccles South. Subsection (7) requires that the strategy should be available for purchase and for review in the authority's office. The amendment would introduce the additional requirement that it should be published online for ease of access and better transparency. I do not think that such a proposal is especially contentious, but the Minister might feel otherwise.

Amendments 258 and 259 have been tabled to clause 127. Amendment 258 returns, I am afraid, to the point that we have made already—and that we will undoubtedly continue to make—about the need to consult in advance of bringing forward new rules, regulations and legislation. The clause calls for local housing authorities to draft a strategy and then send a copy to the registered provider of social housing, allowing them a reasonable period of time for comment. That is the wrong way round. We would like not only the providers of social housing but the people who will live in that housing and the wider community to be involved in preparing the draft strategy. It is better to be as inclusive and as consultative as possible as early as possible when drafting tenancy strategies. Amendment 258 would therefore require local housing authorities, in advance of producing a draft strategy, to

“consult for a period of not fewer than 12 weeks on the proposed strategy or modifications to the strategy with...every private registered provider of social housing for its district...landlords”—

I am sure that the Minister will say that that is a bit too broad and should read “landlord organisations”—

“within the private rented sector for its district...existing tenants in social housing within the district...members of the public...neighbouring local authorities...other such organisations and persons as the authority considers appropriate.”

The list is purposefully broad. With the exception of providers of social housing within the district, those on the list are not otherwise mentioned in clause 127. I am not sure why Ministers felt that it would be appropriate to draw up such strategies without involving the public,

[Alison Seabeck]

tenants or others in the sector, so I would be interested to hear their reasons. Their logic might be perfectly plausible, but we would welcome knowing what it is.

I am also not sure why Ministers do not want local authorities to consult one another on the policies that they expect to promote as part of their tenancy strategy. Given the duty to co-operate and everything else, it would make sense for each local authority to have a view on neighbouring tenancy strategies. To return to my earlier point about areas where local authorities are tightly packed together—mostly in cities—if there is no proper consultation among local authorities, there is a risk that people will simply abandon one local authority for another whose policies they believe suit their needs better. Requiring local authorities to consult each other is imperative to ensure that the strategies are sympathetic and do not cut across each other.

Andrew Stunell: I welcome the hon. Lady's agreement that tenancy strategies are a good idea and the fact that the Opposition broadly support their introduction.

Clause 126 places a new duty on local housing authorities to publish a tenancy strategy, which is designed to set out in high-level terms the matters to which all the different registered providers of social housing in an area should have regard when framing their tenancy policies. We want social landlords to have substantial freedom to decide what types of tenancy to provide to avoid creating unnecessary bureaucratic structures. On the other hand, we think it is important that local policies on tenure should be developed collaboratively and transparently. The tenancy strategy provides the framework and starting point for that process.

We do not think that the strategy needs to be a long or detailed document. It should set out broad objectives to which the policies of individual providers of social housing should have regard. For instance, it might establish objectives involving promoting work incentives, reducing overcrowding or preventing homelessness. Tenancy strategies will not contain detailed information about what sorts of tenancy landlords might choose to grant, or the basis on which tenancies may or may not be reissued. That will be found in tenancy policies, which the new tenancy standard will require every registered provider to prepare and publish.

In other words, the strategy will be a high-level, borough-wide document, but the tenancy policy will be in the ownership of each registered provider. Social landlords in a single local authority area might have a range of different tenancy policies. The requirement to have regard to the tenancy strategy means that those tenancy policies will be developed within an overarching framework that takes account of local housing needs and circumstances.

I hope that my brief introduction has helped to dissipate the assumptions of Labour Members about the nature of the strategy that some of the amendments imply. It is not tenancy policies that will be drawn into a big, comprehensive document, but the tenancy strategy covering the local authority area. We want that to happen freely. We are aware that some registered providers think that the measures might result in a top-down process at borough level, but that is certainly not how we have framed the provisions.

Amendment 255 is not necessary because clause 126 strikes the right balance between encouraging local authorities and private registered providers to work together, and recognising that individual landlords are best placed to make decisions about the use of their own stock. I note that a number of registered landlords provide specialist accommodation of one sort or another, and that is often the unique selling point of their business. By requiring a tenancy strategy to refer to the policies of registered providers, the amendment appears to be an attempt to achieve a much closer relationship between the local authority and the private registered providers than we intend. It is difficult to see what the amendment would add to subsection (2) in practice.

Alison Seabeck: I am grateful for the explanation that the Minister is giving, but as the clause is drafted, it appears that the need to summarise the policies will create work for the local authority, but that could be avoided if all it did was simply signpost people directly to the individual providers through its website or through another route. That would save the local authority work.

Andrew Stunell: I will certainly reflect on that point, which might be something for us to examine at a later stage. Our intention is to draw together the threads of different providers that serve a population to ensure that we get the best fit possible between the provision and needs of that locality. At the moment, that process is left perhaps not to chance, but to individual assessments by different providers that do not necessarily work to a common framework, and we aim to provide that overarching framework through the tenancy strategies. I think that the hon. Lady is suggesting that the council should, in effect, hold a library of different policies rather than exercising any kind of editorial role, but we are clear that some editorial action may be needed. However, we will give further consideration to the interesting point that she raises.

Amendment 256 would introduce what I understand to be a four-year rule. I understand that the hon. Lady is suggesting that tenancy strategies should not be completely ripped up every six minutes, or indeed at every council meeting, as might happen in the worst case. Local authorities have a mature view about how their housing should be provided in their areas. Of course, there can be sharp political or policy differences, and dramatic changes in a community's circumstances might mean that new strategies need to evolve. However, housing is not like a bus route that can be changed one week and changed back the next—[*Interruption.*] Perhaps I was a bit optimistic by talking about changing a bus route, as hon. Members are quite rightly suggesting. My analogy may not have been right, but the principle is.

Alison Seabeck: I understand where the Minister is coming from. Most local authorities—and certainly housing authorities—would be responsible and therefore would not want to chop and change things, or tear them up, every five minutes. However, some authorities throughout the country involve incredibly acrimonious relationships, with a huge ideological divide, so views on the management and delivery of housing can be quite significant, for good or ill. A British National party-led council might have very strong views about how and to whom provision should be made. There

could also be disruption in the system when a council is elected by thirds. We are simply trying to ensure that that possibility is avoided.

4 pm

Andrew Stunell: I will certainly consider the point that the hon. Lady raises, but practical problems would arise if we entrenched her suggestion in primary legislation because it would not provide the required flexibility. Let me cite one situation that might arise: there could be a court judgment suggesting that a particular aspect of the strategy was unlawful or needing amending—perhaps the hon. Lady’s example of the BNP would apply in such a case. Under the four-year rule proposed in the amendment, the council would be bound by primary legislation and therefore unable to comply with the judgment, so there would be problems on the grounds of practicality. We will need to reflect on several of the hon. Lady’s points to determine whether we have the optimum process, but the amendment is not an attractive proposition.

Mr Raynsford: May I reinforce the point about the possible difficulty for lenders if chopping and changing housing association tenancy arrangements for a particular area was on the cards? We have heard that the hon. Member for Croydon Central spent some time as an adviser to David Curry, so he will recall an embarrassing moment during the passage of the Bill that became the Housing Act 1996. Mr Curry, the then Minister, had to withdraw a series of clauses because the lenders had essentially said that they would take their money away and would not lend to housing associations if those provisions remained in the Bill. The position under this Bill is nowhere near as extreme, but the lesson is important. I hope that the Minister will talk to the hon. Member for Croydon Central about the risk of the Bill damaging investment in social housing.

Andrew Stunell: I certainly accept the underlying point that there must be a strategy that enables growth in the social and affordable housing sector, and every local authority will surely have that at the top of its working agenda for future action. When I talk to local authorities throughout the country, I find that they are constantly concerned that they have not been able to invest in social housing as they would have wished. Obviously, there can sometimes be a political edge in respect of the way in which authorities feel that hindered by central Government, but I do not think that local authorities lack any willingness to have tenancy strategies that encourage providers in their areas to do exactly that—to provide.

The right hon. Gentleman makes an interesting point about how we might ensure that there are safeguards. That goes beyond what is in the Bill, but I will encompass

his points when we reflect on those issues. As he rightly says, the last thing that we want is a system that hinders the precise objective that both he and I want.

Amendment 258 would ensure that local authorities consult, but such a provision is already in the Bill. The amendment has been tabled to clause 127, which details a procedure for preparing a strategy. In particular, the clause sets out an obligation to consult housing associations that have stock in the area, and it states that there must be “a reasonable opportunity” to comment before the draft is adopted. One problem with providing a specific list of people to be consulted is that if somebody has been left out, it becomes more difficult to include them. The current wording means that local authorities will consult others who have an interest—notably, that includes tenants—and given that there is already a statutory duty requiring tenants to be consulted on housing management matters, it is clear that they will be included. There is the option of including a list of persons to consult, but building that in at this stage seems unnecessarily complex.

Amendment 259 would require local authorities to conduct an assessment of the needs of those in residential accommodation and to consider that when preparing their tenancy strategy. That, however, is only one of a number of important considerations that authorities should have, and we do not see the need to place the requirement in primary legislation. We will consider the tenancy standard, which the regulator will be preparing, when we get to clause 128. However, for the purposes of this amendment, I should say that we will require landlords’ tenancy policies to take account of the needs of the most vulnerable, who will clearly include those in residential accommodation. With those words of explanation, and perhaps of some comfort, I hope that the hon. Member for Plymouth, Moor View will not press her amendments to a Division.

Alison Seabeck: I shall be brief because I realise that hon. Members are itching to get back to their constituencies.

I am grateful that the Minister is willing to consider some of the Opposition’s proposals. Unfortunately, I did not speak to amendment 259 during my speech, and I shall not do so now because the Minister responded to my points about it in part. He has reassured me that local authorities will have to have regard to the means of residents who require support as a result of age, illness or disability. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 126 ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.
—(*Bill Wiggin.*)

4.6 pm

Adjourned till Tuesday 8 March at half-past Ten o’clock.

