

The homelessness monitor: England 2013

**Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Steve Wilcox
and Beth Watts**

Institute for Housing, Urban and Real Estate Research, Heriot-Watt
University; Centre for Housing Policy, University of York; City Futures
Research Centre, University of New South Wales

December 2013



The homelessness monitor 2011-2015

The homelessness monitor is a five year study that will provide an independent analysis of the impact on homelessness of recent economic and policy developments in England. The key areas of interest are the homelessness consequences of the post-2007 economic recession and the housing market downturn. The other main thrust of inquiry is the likely impacts of the welfare, housing and other social policy reforms, including cutbacks in public expenditure, being pursued by the Coalition Government elected in 2010.

This year 3 report tracks the baseline account of homelessness established in 2011, and analyses key trends following that period. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness.

We will continue to monitor the impact on homelessness of the economic downturn and effects of welfare and housing reform over the next two years in order to provide a substantive evidence base and will report on them in 2014-2015.

While this report focuses on England, parallel Homelessness Monitors are being published for other parts of the UK.

The homelessness monitor: England 2013

**Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Steve Wilcox
and Beth Watts**

Institute for Housing, Urban and Real Estate Research, Heriot-Watt
University; Centre for Housing Policy, University of York; City Futures
Research Centre, University of New South Wales

December 2013

About Crisis UK

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

About the authors

Professor Suzanne Fitzpatrick, Professor Glen Bramley and Dr Beth Watts are all based at the Institute for Housing, Urban and Real Estate Research, Heriot-Watt University. Professor Hal Pawson is based at the City Futures Research Centre, University of New South Wales. Steve Wilcox is an Associate (and former Professor) at the Centre for Housing Policy, University of York.

Crisis head office

66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012
www.crisis.org.uk
© Crisis 2013
ISBN 978-1-899257-89-8

Crisis UK (trading as Crisis). Registered Charity Numbers:
E&W1082947, SC040094. Company Number: 4024938

Contents

<i>Figures and tables</i>	<i>iv</i>
<i>Acronyms</i>	<i>v</i>
<i>Foreword</i>	<i>vii</i>
<i>Executive Summary</i>	<i>viii</i>
1. Introduction	1
1.1 Introduction	1
1.2 Definition of homelessness	1
1.3 Research methods	2
1.4 Causation and homelessness	2
1.5 Structure of report	2
2. Economic factors that may impact on homelessness in England	4
2.1 Introduction	4
2.2 The post-2007 economic and housing market downturns	4
2.3 The homelessness implications of the post-2007 economic downturn	8
2.4 The homelessness implications of the post-2007 housing downturn	8
2.5 Key points	12
3. Coalition government policies potentially impacting on homelessness in England	13
3.1 Introduction	13
3.2 Housing policies, homelessness policies and the ‘localism’ agenda	13
3.3 Welfare policies	19
3.4 Other relevant policies	29
3.5 Key points	29
4. Homelessness trends in England	31
4.1 Introduction	31
4.2 Rough sleeping	31
4.3 Single homelessness	34
4.4 Statutory homelessness	34
4.5 Hidden homelessness	39
4.6 Key points	48
5. Conclusions and future monitoring	50
<i>Appendix 1 Topic guide for key informant interviews: Round 3 (2013) voluntary sector</i>	<i>52</i>
<i>Appendix 2 Topic guide for key informant interviews: Round 3 (2013) local authorities</i>	<i>54</i>
<i>Bibliography</i>	<i>57</i>

Figures and tables

Chapter 2

Figure 2.1	Slow recovery from extended economic downturn	4
Figure 2.2	Housing market affordability in the UK.....	5
Figure 2.3	House building needs to rise to match projected household growth	6
Figure 2.4	Rapid growth of private rented sector.....	7
Figure 2.5	Homelessness acceptances and economic cycles, 1985-2012	9
Figure 2.6	Post-1990 growth in social rented sector lettings available for new tenants.....	9
Figure 2.7	Mortgage arrears and repossessions, UK 1982-2012	11
Figure 2.8	Mortgage possession claims and orders, England and Wales 1990-2012	11

Chapter 3

Figure 3.1	Proportion of working age claimants impacted by the social sector	22
	bedroom limits	

Chapter 4

Figure 4.1	Trends in rough sleeper numbers by region, 2004-2012.....	32
Figure 4.2	Rough sleeping in London 2007/08-2012/13: breakdown by nationality	32
Figure 4.3	Rough sleeping in London 2007/08-2012/13: breakdown	33
	by stock/flow/returner	
Figure 4.4	Citizens Advice housing/homelessness-related caseload statistics,	33
	2008/09-2012/13	
Figure 4.5	Statutory homelessness assessment decisions, 2008/09-2012/13.....	35
Figure 4.6	Homelessness acceptances, 2008/09-2012/13: trends at broad region	35
	level – indexed	
Figure 4.7	Change in number of households made homeless due to specific immediate ..	36
	causes, 2008/09-2012/13 – indexed	
Figure 4.8	Local authority homelessness prevention and relief activity, 2008/09-2012/13 ..	38
Figure 4.9	Changing incidence of local authority homelessness prevention activities,	39
	2011/12-2012/13	
Figure 4.10	Households containing potential concealed households by tenure,	40
	England 2012	
Figure 4.11	Potential concealed unrelated singles over 25 and families,	41
	England 1992-2012	
Figure 4.12	Headship rates for 20-29 year olds, selected English regions, 1992-2012	42
Figure 4.13	Sharing households in England 1992-2012 (percent)	43
Figure 4.14	Overcrowding by tenure in England 1995-2011 (percent).....	44
Figure 4.15	Census crowding measure by broad region, 2001-11	46
	(occupancy rating 1+ room short)	
Figure 4.16	Past homelessness incidence and implied annual rates for UK countries	46
Figure 4.17	Profile of past homeless incidence by current age of Individuals in England	47

Acronyms

AR	Affordable Rent
AST	Assured Shorthold Tenancy
B&B	Bed and Breakfast
CEE	Central and Eastern European
CIH	Chartered Institute of Housing
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing Payments
DV	Domestic Violence
DWP	Department for Work and Pensions
EHS	English Housing Survey
ESA	Employment and Support Allowance
FTT	Fixed Term Tenancy
GDP	Gross Domestic Product
GLA	Greater London Authority
HB	Housing Benefit
HTB	Help to Buy
JSA	Jobseekers Allowance
LA	Local Authority
LFS	Labour Force Survey
LHA	Local Housing Allowance
MWG	Ministerial Working Group on Homelessness
NDDs	Non-dependant deductions
NSNO	No Second Night Out
OBR	Office for Budget Responsibility
PRS	Private Rented Sector
PSE	Poverty and Social Exclusion Survey
SAR	Shared Accommodation Rate
SNAP	Survey of Needs and Provision
SP	Supporting People
TA	Temporary Accommodation
UC	Universal Credit
UK	United Kingdom
UN	United Nations

Acknowledgements

This report was originally commissioned by Crisis and is now funded by Crisis and the Joseph Rowntree Foundation (JRF). Our thanks to Lúgia Teixeira, Duncan Shrubsole and Katharine Sacks-Jones, at Crisis, and Kathleen Kelly, at JRF, for all of their support with this work. We would also like to record our thanks to DCLG for assisting us to secure relevant data. In addition, we are extremely grateful to all of the key informants from homelessness service providers and local authorities and other organisations across England who very generously found time in their busy schedules to help us with this study.

Disclaimer: All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis, the Joseph Rowntree Foundation or of any of the key informants who assisted with this work.

Foreword

The Homelessness Monitor was conceived as an annual “state of the nation” review of homelessness and as such this year’s report should give us cause to pause and reflect. Whilst the economy is showing signs of recovery, there are many who are not feeling the effects of any upturn and for whom the environment remains very bleak. The report identifies a housing pressure cooker, particularly in London and the South East with a lack of supply and rising housing costs, cuts to benefits, and to services increasing the pressure on those already struggling to keep their heads above water.

The statistics are clear – homelessness is continuing to rise. Failures in the housing system are playing a critical underlying role. House building remains at low levels, leaving a growing shortfall against new household formation. With already substantial levels of overcrowding, concealed and sharing households, many are left unable to find a room even to rent, never mind own a home of their own. The private rented sector is being relied on to meet housing demand yet is failing in too many instances – ending of an assured shorthold tenancy is now the leading cause of statutory homelessness in London.

Rising homelessness is a story not just of economic pressure but of political choices with the cuts to Local Housing Allowance, extension of the Shared Accommodation Rate, the removal of the spare room subsidy (sometimes referred to as the “bedroom tax”), and overall benefit cap of particular concern and having real impacts across the country. In addition, services for those who are homeless are being cut, the safety net previously provided by social housing and the homelessness legislation reduced, with benefit sanctions risking severe hardship, including the threat of destitution.

The burden is being felt disproportionately by younger people and by the most vulnerable. Worryingly for the first time in this report those who have experienced domestic violence are flagged as an area of concern.

With new analysis identifying that nearly one in ten adults have experienced homelessness at some point in their lives this is a situation that demands focus and attention. The researchers are clear that we are still only beginning to identify the impacts of changes to the social security system on individuals and households and ultimately in the numbers facing or experiencing homelessness.

This is the third report looking at the situation in England and we will be publishing corresponding reports in each of the countries of the UK. The Homelessness Monitors are the only comprehensive studies of their kind. Together Crisis, the Joseph Rowntree Foundation and the Universities of Heriot-Watt and York are committed to ensuring the Monitors continue to be an authoritative annual resource by all those in or aspiring to government, the homelessness sector and elsewhere.



Leslie Morphy
Chief Executive, Crisis



Julia Unwin
Chief Executive, Joseph Rowntree
Foundation

Executive Summary

Key points

The Homelessness Monitor series is a five-year study that provides an independent analysis of the homelessness impacts of recent economic and policy developments in England and elsewhere in the UK.¹ This third annual report updates our account of how homelessness stands in England in 2013, or as close to 2013 as data availability allows. The research was commissioned in response to concerns about the impact of the recession and the Coalition Government's radical welfare and housing reform agenda on homelessness in the UK.

Key points to emerge from the 2013 update report for England are as follows:

- An upward trend has remained evident in 'visible' forms of homelessness – including rough sleeping and statutory homelessness – over the past year, but with a slowed rate of increase.
- Thus in 2012 rough sleeping in England rose 6%, as compared with 23% in 2011. In London, there was a rise of 13% in recorded rough sleeping in 2012/13, pushing the two year increase to over 60%. There are growing numbers of both UK and overseas nationals sleeping rough in the capital.
- After falling sharply for six years, the number of statutory homelessness acceptances has risen substantially (by 34%) over the past three years, but the increase in 2012/13 (at 6%) is lower than the previous year (14%). There is marked regional divergence, with the growth in statutory homelessness strongly concentrated in London and the South.
- There are sharply rising numbers being made homeless by the loss of private sector tenancies, accounting for 22% of all homelessness acceptances at national level in 2012/13. This is now the single largest cause of statutory homelessness in London.
- Temporary accommodation placements rose 10% during 2012/13, with B&B placements rising even faster (14%). 'Out of district' temporary accommodation placements have doubled since 2010. Use of both temporary accommodation and out of district placements remain overwhelmingly concentrated in London.
- 'Hidden' forms of homelessness – including concealed, sharing and overcrowded households – are also far more prevalent in London and the South than elsewhere. Census-based measures of overcrowding, for example, suggest a rate of 5% across England (a total of 1.06 million households), but 12% in London. Census overcrowding increased by 23% between 2001 and 2011, with a rise of 35% in Outer London.
- This regional disparities 'story', that strengthens with each year of the Monitor, strongly suggests that housing system factors are playing a critical underlying role. The continuing shortfall in levels of new house building relative to levels of household formation, in a context where there are already substantial numbers of concealed and sharing households, and severe levels of overcrowding in London, is a prime structural contributor to homelessness.
- In 2013 the UK economy has finally begun to show signs of recovery. However,

¹ Parallel Homelessness Monitors are being published for Scotland, Wales and Northern Ireland. All of the UK Homelessness Monitor reports are available from www.crisis.org.uk/policy-and-research.php

policy factors, particularly welfare cuts, provide a growing cause for concern. In this regard, two aspects of the Local Housing Allowance reforms are presenting particular difficulties. The first is the impact of the national caps in reducing access to the private rented sector for low income households in high value areas, particularly London. The second is the impact of the Shared Accommodation Rate, as now applied to single people aged up to 35, in reducing access to private rented housing. There has been a 14% reduction in the numbers of young single people in receipt of benefit in the sector since the Shared Accommodation Rate changes were introduced.

- The most problematic aspects of the welfare reforms introduced in 2013 include: the overall benefit caps; the 'spare room subsidy' limits for social sector tenants (widely referred to as the 'bedroom tax'); and localisation of the Social Fund. Of these it is the social sector bedroom limits² that is currently giving rise to the greatest concerns, particularly in the North and Midlands.
- Front line services available to homeless people continue to be reduced, with the prospect of more significant cuts to come in many areas. Some representatives felt that this weakening in support for the most vulnerable was undermining their ability to sustain accommodation, and may be contributing to a rise in rough sleeping.
- Single and youth homelessness service providers are most concerned about the ratcheting up of the sanctions regime for Jobseekers Allowance and Employment and Support Allowance claimants, which seems to be impacting disproportionately on their clients.

- Domestic violence service providers, who are included for the first time in this year's report, paint a worrying picture of cuts to legal aid, increased difficulties in accessing social housing, and cuts to specialist services, all having an adverse impact on women and children fleeing domestic violence.
- Across England 9% of adults say that they have experienced homelessness at some time, with 8% of under-25s saying this happened in the last five years. These new data imply that around 185,000 adults experience homelessness each year in England, and that the incidence has been increasing over time.

Defining homelessness

A wide definition of homelessness is adopted in this Homelessness Monitor series to enable a comprehensive analysis taking account of: people sleeping rough; single homeless people living in hostels, shelters and temporary supported accommodation; statutorily homeless households; and those aspects of 'hidden homelessness' amenable to statistical analysis using large-scale surveys, namely 'concealed', 'sharing' and 'overcrowded' households. Three main methods are being employed in each phase of the study: reviews of relevant literature, legal and policy documents; annual interviews with a sample of key informants from the statutory and voluntary sectors across England (22 such interviews were conducted in 2013); and detailed analysis of published and unpublished statistics, drawn from both administrative and survey-based sources.

Trends in homelessness

Our new social distribution analysis in this year's Monitor, based on the UK Poverty and

² The term 'bedroom limits' is used throughout this report as a less loaded and more straightforward description of the limits than either of the alternatives.

Social Exclusion Survey 2012, confirms that past experience of homelessness is heavily concentrated amongst young, poor, renters, who are lone parents or single, particularly those who are black and living in urban areas of the country. Nine percent of adults in England have experienced homelessness at some point in their lives, the highest rate amongst the UK countries, with 8% of under-25s reporting that this has happened to them in the last five years. These new data imply that around 185,000 adults experience homelessness each year in England, and that the incidence has been increasing over time.³

This year's Monitor also reports that homelessness in England, including rough sleeping, continued on an upward trajectory in 2012/13, albeit at a somewhat slower rate than in the previous two years. The sustained growth in rough sleeping numbers in London over the past year, with regard to both UK and overseas nationals, confirms this underlying upward trend. A particularly strong surge in recorded rough sleeping in London in the previous year (2011/12) was probably attributable in part to improved outreach under the No Second Night Out initiative.⁴

As regards statutory homelessness, there was again a continued but slowed increase in 2012/13 (see above). We have suggested that one possible contributory factor to this slowdown could be the disincentive effect of the new legal provisions allowing councils to discharge full homelessness duty through a fixed-term private tenancy placement.⁵ However, national statutory homelessness statistics conceal highly contrasting trends at regional level: while numbers have risen

only 8% in the North over the past three years, the comparable figures for the South of England and for London are 44% and 61%, respectively. Indeed, in 2012/13 acceptances actually fell slightly in both the North and Midlands.⁶ This reflects increased housing market pressures and affordability issues in London and the South East.

It is also worth noting that the volume of homelessness prevention activities continued to expand in 2012/13, but at a much slower rate than previously, and the nature of prevention work shifted markedly towards helping service users retain existing accommodation rather than obtain new housing. Indeed, while the overall number of 'prevention actions' increased by 2% in 2012/13, this masked a 4% reduction in applicants helped to find a new tenancy or other housing. This probably reflects both the state of the housing market and the Housing Benefit reforms (see below) which – by restricting entitlements – will have made it more difficult to secure new private tenancies for those on low incomes.

There are sharply rising numbers being made homeless by the loss of private sector tenancies, and the latest published statistics show that this is a continuing trend, with the proportion of total acceptances resulting from loss of private tenancies rising to 27% of all cases by quarter one 2013/14.⁷ Exactly what underlies this pattern is difficult to state with certainty but a probable contributory factor is the increasingly restrictive Local Housing Allowance rules (see below) and their coincidence with sharply rising market rents. While homelessness arising from ending of

3 This estimate is derived by multiplying the proportion who report having been homeless over the past 5 years (PSE) x adult population (Census) / 5. This assumes even temporal spacing of homelessness, and only one episode per person.

4 DCLG (2011) *Vision to End Rough Sleeping: No Second Night Out Nationwide*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6261/1939099.pdf

5 Homelessness (Suitability of Accommodation) (England) Order 2012 (SI. 2601) <http://www.legislation.gov.uk/uksi/2012/2601/article/3/made>; DCLG (2012) *Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) Order 2012*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9323/121026_Stat_guidancewith_front_page_and_ISBN_to_convert_to_pdf.pdf

6 DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf and analysis of unpublished data supplied by DCLG.

7 DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

private tenancies has risen substantially in all regions over the past three years, the scale of this change has varied markedly: the North saw a 73% increase in homes lost due to private tenancy terminations in the period 2009/10-2012/13, but the comparable figures for the South of England and London were 128% and 316%, respectively.

Since bottoming out in 2010/11, homeless placements in temporary accommodation have been on the increase, with use of B&B hotels rising most quickly. Moreover, B&B placements involving children were up by 19% during 2012/13 – having almost doubled over two years. There is also increasing concern over ‘out of district’ temporary accommodation placements which have doubled since 2010: of the 56,210 households in temporary accommodation on 30 June 2013, 11,160 were in another local authority district, an increase of 38% from the same date last year.⁸ Most of these cases arise in London, and London Councils say that they relate mainly to moves within London, although recent reports have suggested that the number of these households placed outside of the capital is now increasing.⁹

The importance of regional patterns and housing market factors is reinforced by our hidden homelessness analysis, which as noted above demonstrates that concealed households,¹⁰ sharing households¹¹ and overcrowding¹² are all heavily concentrated in London and the South. We estimate that

there were 2.31 million households containing concealed single persons seeking their own housing in England in late 2012, in addition to 245,000 concealed couples and lone parents, equivalent overall to 12% of all households in England. The most recent data suggest a fall in sharing, which to some extent may reflect changes in the way interview surveys classify groups of people into households, but it may also be the case that some of the 25-34 year olds affected by the extension of the much lower Shared Accommodation Rate within Local Housing Allowance are unable to secure independent accommodation and are becoming concealed rather than sharing households.¹³

Particularly striking with respect to recent trends in hidden homelessness is the newly available Census 2011-based analysis of overcrowding that suggests a rate of 5% across England (a total of 1.06 million households), rising to 12% in London, but with rates of 16-25% in certain London boroughs (25% in Newham, 18% in Brent, 17% in Tower Hamlets, and 16% in Haringey, Hackney, Waltham Forest and Southwark). Hotspots outside London include Slough, Luton and Leicester (10-12%). These peaks of overcrowding are associated with areas with large ethnic minority and recent migrant populations. Nationally, Census overcrowding increased by 23% between 2001 and 2011, but the rise was much higher (35%) in Outer London.¹⁴

8 DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

9 Duxbury, N. (2013) ‘Londoners housed outside capital doubles’, *Inside Housing*, 1st November: <http://www.insidehousing.co.uk/tenancies/londoners-housed-outside-capital-doubles/6529299.article>

10 ‘Concealed households’ are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity.

11 ‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between ‘sharing’ households and ‘concealed’ households is a very fluid one.

12 ‘Overcrowding’ is defined here according to the most widely used official standard - the ‘bedroom standard’. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

13 Sanders, B. & Teixeira, L. (2012) *No Room Available: Study of the Availability of Shared Accommodation*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/1212%20No%20room%20available.pdf>

14 Source: Censuses 2001 and 2011.

Economic and policy impacts on homelessness

The continuing shortfall in levels of new house building relative to levels of household formation is a prime structural contributor to homelessness and other forms of acute housing need. The latest household projections for England suggest that household numbers will grow at an average rate of 220,000 a year over the decade to 2021. Even allowing for the contribution from dwellings created through conversions and changes of use, the rate of new house building would need to almost double from 2012/13 levels just to keep pace with the rate of new household formation, let alone to reduce existing housing market pressures which have accumulated over time.¹⁵

Throughout the Monitor series we argue that welfare benefit cuts, as well as constraints on housing access and supply, are critical to overall levels of homelessness. The disproportionate impacts of welfare reform in London are therefore also likely to be driving sharply contrasting regional trends in homelessness. In particular, national caps on Local Housing Allowance are resulting in a reduction in the number of claimants able to secure private rented accommodation in inner London; with declines of some 25% since March 2011 recorded in Kensington and Chelsea and in Westminster.¹⁶ The overall benefit cap for working age out-of-work households impacts most severely on larger families in London and other higher rent areas, with an average estimated benefit reduction of £62 per week.¹⁷ The official

impact assessment estimated that 52,000 households in England would have their benefit cut as a result of the cap, with 25,000 of them in London. A particular concern is its effect on homeless families who have temporarily secured accommodation in the private rented sector.

The bedroom limits¹⁸ on the levels of eligible rent for households claiming Housing Benefit in the social rented sector introduced in April 2013 potentially affect a much larger number of households, up to 660,000 across Great Britain as a whole, and this time with a disproportionate impact in the northern regions of England.¹⁹

The size criteria is far too restrictive, and fails to make allowances for households where health and other factors mean it is unreasonable to expect household members to share a room. There are particular issues involving households with disabilities and other groups with support needs, where either they require additional space-consuming equipment and/or their dwelling has been specifically adapted to meet their special needs.

Most fundamentally, in many parts of the country social landlords simply do not have sufficient stock available to transfer tenants willing to move to smaller accommodation, and in some cases have estimated that it would take from five to thirteen years to transfer all the tenants affected.²⁰ While Discretionary Housing Payments have – in a limited and uneven way – managed to mitigate some of the effects of this change,

¹⁵ Wilcox, S. & Perry, J. (2013) *UK Housing Review 2013 Briefing Paper (section 4 & 5)*. Coventry: CIH.

¹⁶ DWP (2013) 'Housing Benefit and Council Tax Benefit Summary Statistics', *National Statistics*, 1st April: <https://www.gov.uk/government/publications/housing-benefit-and-council-tax-benefit-summary-statistics-january-2013> (and earlier additions). May data extracted from DWP Stat-Xplore. Note that figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

¹⁷ DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. <http://www.dwp.gov.uk/docs/hb-benefit-cap-draft-regs-2012-memorandum.pdf>

¹⁸ Officially these bedroom limits have been designated as the 'spare room subsidy' limits, but they have been more widely referred to as the 'bedroom tax'. The term 'bedroom limits' is used throughout the report as a less loaded and more straightforward description of the limits than either of the alternatives.

¹⁹ DWP (2012) *Housing Benefit Size Criteria for People Renting in the Social Rented Sector Impact Assessment Updated June 2012*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf

²⁰ National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.

the issues raised are more deep-seated than can be adequately dealt with by a declining discretionary top-up budget that assumes that these problems are very short-term.

These bedroom limits were viewed by most of our local authority interviewees as the most “overwhelming” of all of the welfare reform issues, and they have already – even within the first six months of the new regime – led to a sharp rise in social sector rent arrears, in many cases involving households that have not previously been in arrears.²¹

For single and youth homelessness service providers, on the other hand, the tightening of benefit sanctions for recipients of Jobseeker’s Allowance/Employment and Support Allowance, and thereafter under Universal Credit, is the major ongoing worry.²² Also particularly relevant here is the continuing impact of Supporting People ring fence abolition, as well as national budget cuts, which have diminished the front-line services available to homeless people, with the prospect of more significant cuts to come in many areas. Some commentators felt that this weakening in support for the most vulnerable was undermining their ability to sustain accommodation, and may be contributing to the rise in rough sleeping noted above.

The localisation of the Social Fund, and growing resort to ‘food banks’ and other purely in-kind support, is also indicative of a severe weakening in the support available to

individuals and families in the sort of crisis situations that can lead to homelessness.²³

Going forward, there is enormous trepidation about the national roll out of the Universal Credit regime, and in particular the shift towards single monthly payments and away from direct payment of rent to landlords. Those concerns have been reinforced by the experiences of the social landlords involved in the Department of Work and Pensions’ direct payment demonstration projects; after nine months in operation, average rent arrears across the projects stood at 6% of rents due – far above the standard benchmark figure for social housing.²⁴

At the same time, the move towards fixed-term ‘flexible’ tenancies in social housing ushered in by the Localism Act 2011 will gradually weaken the sector’s safety net function,²⁵ and there are pressing concerns about the interaction between the ‘Affordable Rent’ regime, which allows social landlords to charge up to 80% of market rent levels, and benefit restrictions which may operate to price low-income households out of social housing in high cost areas, particularly inner London.²⁶ There is also anxiety that the increased emphasis on local connection in social housing eligibility risks excluding some marginalised groups from the sector. Certainly, international reviews sound a cautionary note about the potential implications for exclusion of the poorest and most vulnerable households from mainstream social housing if strong national frameworks

-
- 21 Housing Futures Network (2013) *The Impact of Cutting Housing Benefit on Underoccupiers in Social Housing*. <http://www.affinitysutton.com/media/410135/Housing%20Futures%20report%20-%20final.pdf>; National Housing Federation (2013) ‘More than half of families hit by bedroom tax pushed into debt’, *NHF Press Release*, 18th September: <http://www.housing.org.uk/media/press-releases/more-than-half-of-families-hit-by-bedroom-tax-pushed-into-debt>
- 22 Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. <http://homeless.org.uk/news/benefit-sanctions-hitting-homeless-people-hardest#.UkyEixaR--8>
- 23 Royston, S. & Rodrigues, L. (2013) *Nowhere to Turn? Changes to Emergency Support*. London: The Children’s Society. <http://www.childrensociety.org.uk/sites/default/files/tcs/nowhere-to-turn-final.pdf>
- 24 DWP (2013) *Direct Payment Demonstration Project: Learning and Payment figures – May 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228925/direct-payment-demo-figures-may-2013.pdf
- 25 Fitzpatrick, S. & Pawson, H. (2011) *Security of Tenure in Social Housing: An International Review*. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_Pawson_2011_Security_of_Tenure.pdf; Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, DOI:10.1080/02673037.2013.803043
- 26 BBC News (2013) ‘Councils seeks judicial review of mayor’s rent plan’, *BBC News*, 8th September: <http://www.bbc.co.uk/news/uk-england-london-24002244>

governing eligibility as well as allocations are not retained.²⁷ This was a key issue for domestic violence services, especially in London, where 'local connection' and other eligibility criteria disadvantaged a client group who had often had to move area to escape a violent situation.

While a range of other areas of Government policy have implications for homelessness, this year the most important additional area of concern appeared to relate to the Legal Aid, Sentencing and Punishment of Offenders Act 2012. This took effect on 1st April 2013,²⁸ and imposed significant cuts on legal aid funding. Though legal aid is still available for those on low incomes at immediate risk of losing their homes,²⁹ early intervention to deal with housing debts before court is out of scope, which seems strongly counter to the prevailing preventative ethos. In many areas advice services are under threat because of local authority as well as legal aid funding cuts.

Conclusion

In 2013 the UK economy finally began to show signs of recovery, but as we have argued in previous Monitors, policy factors have a more direct bearing on levels of homelessness than the recession in and of itself. Most key informants interviewed in 2013 expect a new surge in homelessness associated with the ramping up of welfare reform, particularly the social sector bedroom limits and the introduction of Universal Credit. At the same time, housing market pressures seem unlikely to ease, particularly in London and the South. A range of specialist homelessness funding programmes intended to ameliorate the impact of these negative structural trends on particularly vulnerable

groups are also due to end in 2014. It therefore seems that, as in 2010, we may soon be facing another critical juncture in homelessness trends in England.

As well as tracking the headline trends in both visible and hidden forms of homelessness until 2015, our ongoing study will continue to monitor the profile of those affected, and highlight any significant changes in this as the impacts of recession and welfare reform are played out over the next couple of years. Likewise, regional patterns will be closely monitored.

The evidence provided by this Homelessness Monitor over the next two years will provide a powerful platform for assessing the impact of economic and policy change on some of the most vulnerable people in England.

27 Fitzpatrick, S. & Stephens, M. (2007) *An International Review of Homelessness and Social Housing Policy*. London: CLG. <http://www.york.ac.uk/media/chp/documents/2007/interviewhomelessness.pdf>; Fitzpatrick, S. & Pawson, H. (2011) *Security of Tenure in Social Housing: An International Review*. Edinburgh: Heriot-Watt University. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_Pawson_2011_Security_of_Tenure.pdf

28 Law Society (2013) 'Legal aid changes: key information and advice', *Law Society Article*, 13th March: <http://www.lawsociety.org.uk/advice/articles/legal-aid-changes-key-information-and-advice/>

29 Bowcott, O. (2013) 'Cash-strapped law centres turn clients away as legal aid cuts bite', *Guardian*, 18th September: <http://www.theguardian.com/law/2013/sep/18/law-centres-clients-legal-aid>; Citizens Advice (2012) *Out of Scope, Out of Mind: Who Really Loses from Legal Aid Reform*. London: Citizens Advice. http://www.citizensadvice.org.uk/index/policy/policy_publications/er_legal/out_of_scope.htm

1. Introduction

1.1 Introduction

This study aims to provide an independent analysis of the homelessness impacts of recent economic and policy developments in England. It considers both the consequences of the post-2007 economic and housing market recession, and also the impact of policy changes being implemented under the post-2010 Conservative-Liberal Coalition Government. The study was commissioned in response to concerns that the recession may have driven up homelessness in England, and also that some of the Coalition's radical welfare and housing reform agenda could negatively impact on those vulnerable to homelessness.

In this five-year longitudinal study, this third year report provides an 'update' account of how homelessness stands in England in 2013 (or as close to 2013 as data availability will allow), and analyses key trends in the period running up to 2013. This year's update report adopts a shorter format than in previous years, with a particular focus on what has changed since 2012. Readers who would like a fuller account of the recent history of homelessness in England should consult with the previous Homelessness Monitors for England, which are available on Crisis's website.³⁰

With future editions published annually, this series will track developments in England till 2015. Parallel Homelessness Monitors are being published for other parts of the UK.³¹

1.2 Definition of homelessness

A wide definition of homelessness is adopted in this study, and we consider the impacts of relevant policy and economic changes on all of the following homeless groups:

- People sleeping rough.
- Single homeless people living in hostels, shelters and temporary supported accommodation.
- Statutorily homeless households – that is, households who seek housing assistance from local authorities on grounds of being currently or imminently without accommodation.
- 'Hidden homeless' households – that is, people who may be considered homeless but whose situation is not 'visible' either on the streets or in official statistics. Classic examples would include households living in severely overcrowded conditions, squatters, people 'sofa-surfing' around friends' or relatives' houses, those involuntarily sharing with other households on a long-term basis, and people sleeping rough in hidden locations. By its very nature, it is difficult to assess the scale and trends in hidden homelessness, but some particular elements of hidden homelessness are amenable to statistical analysis and it is these elements that are focused upon in this study. This includes 'overcrowded' households, and also 'concealed' households and 'sharing' households.³²

³⁰ See Chapter 2 in Fitzpatrick, S., et al. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>; Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>

³¹ All of the UK Homelessness Monitor reports are available from www.crisis.org.uk/policy-and-research.php

³² Detailed definitions of each of these hidden homelessness categories is given in Chapter 4.

1.3 Research methods

Three main methods are being employed in each of the five years of this longitudinal study:

- First, relevant literature, legal and policy documents are being reviewed.
- Second, we are undertaking annual interviews with a sample of key informants from the statutory and voluntary sectors across England. The sample has been extended to 22 key informants this year, allowing us to include not only representatives of local authorities and homelessness service providers, but also managers and staff from the housing advice and domestic violence (DV) service sectors.
- Third, we are undertaking detailed statistical analysis on a) relevant economic and social trends in England; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.

Theoretical, historical and international perspectives all indicate that the causation of homelessness is complex, with no single 'trigger' that is either 'necessary' or 'sufficient' for it to occur.³³ Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across

countries, and between demographic groups.

With respect to the main structural factors, international comparative research suggests that housing market trends and policies appear to have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, strongly mediated by welfare arrangements and other contextual factors.³⁴

The individual vulnerabilities, support needs and 'risk taking' behaviours implicated in some people's homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage.³⁵ At the same time, the 'anchor' social relationships which can act as a primary 'buffer' to homelessness, can be put under considerable strain by stressful economic circumstances.³⁶ Thus, deteriorating structural conditions in England could also be expected to generate more 'individual' and 'interpersonal' vulnerabilities to homelessness over time.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of the recession and housing market developments for homelessness. Chapter 3 shifts focus to the Government's welfare and housing reform agenda and its likely impacts on homelessness. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in England, focusing on the four subgroups noted above. All of these chapters are informed by the insights derived

³³ Fitzpatrick, S. (2005) 'Explaining homelessness: a critical realist perspective', *Housing, Theory & Society*, 22(1): 1-17.

³⁴ Stephens, M., et al. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_et_al_2010_Study_on_Housing_Exclusion_Welfare_policies_Labour_Market_and_Housing_Provision.pdf

³⁵ McNaughton, C. (2008) *Transitions through Homelessness: Lives on the Edge*. Basingstoke: Palgrave Macmillan.

³⁶ Lemos, G. & Durkacz, S. (2002) *Dreams Deferred: The Families and Friends of Homeless and Vulnerable People*. London: Lemos & Crane; Taberner, K. (2010) *Beyond Homelessness: Developing Positive Social Networks*. Edinburgh: Rock Trust. <http://www.therocktrust.co.uk/wp-content/uploads/2012/08/REPORT-FINAL4.pdf>

from our qualitative interviews with key informants. In Chapter 5 we summarise the main findings of this 2013 update report and set out a framework for monitoring the impact on homelessness of policy and economic change until 2015.

2. Economic factors that may impact on homelessness in England

2.1 Introduction

This chapter reviews recent economic developments in England, and analyses their potential impact on homelessness. In Chapter 4 we assess whether the anticipated economic impacts identified in this chapter, and the potential policy impacts highlighted in the next chapter, are borne out in national and regional homelessness trends.

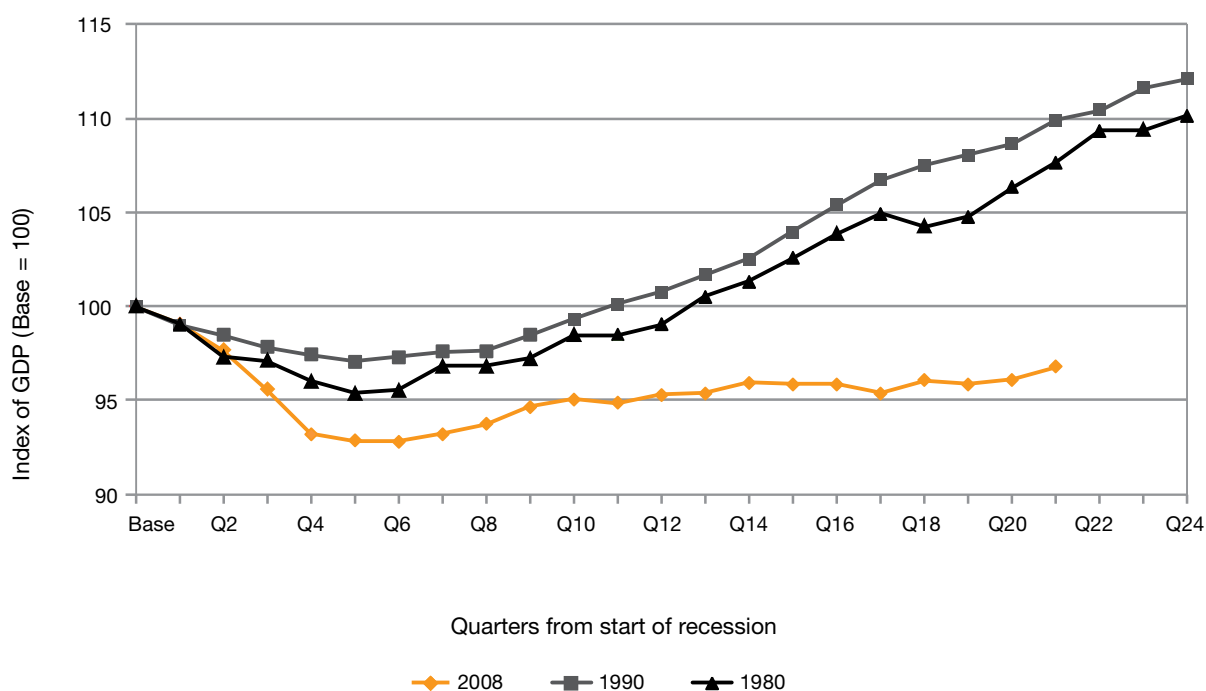
2.2 The post-2007 economic and housing market downturns

2013 has at last begun to see tentative signs

of recovery in the UK economy, but only after the longest economic downturn for over a century. There remain considerable uncertainties, especially about the fragility of some European economies, but most forecasters now anticipate modest levels of economic recovery in the next few years.

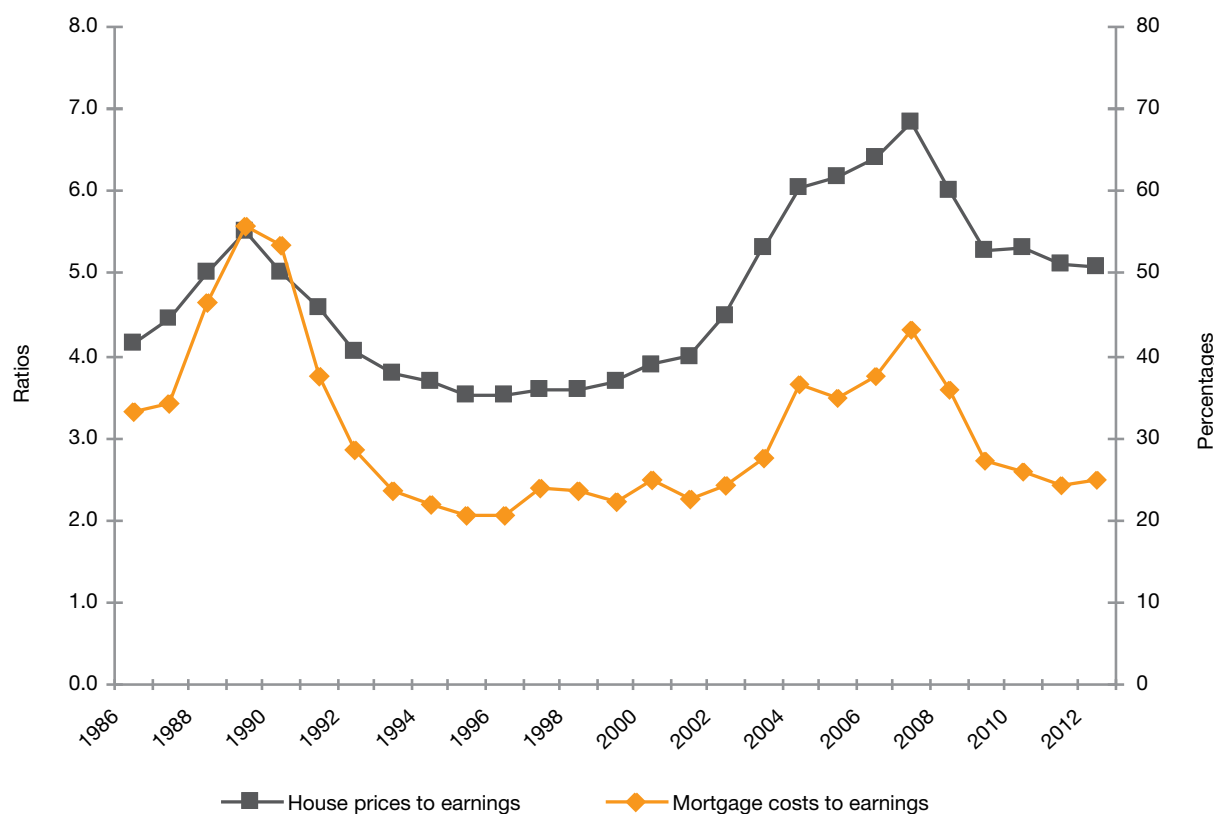
While the latest forecast by the Office for Budget Responsibility (OBR) is for modest growth of just 0.6% in 2013, rising to 1.8% in 2014,³⁷ more recent gross domestic product (GDP) figures for the first three quarters of 2013 suggest that growth in 2013 is likely to outperform that OBR forecast. Even so it will still be 2015 before

Figure 2.1 Slow recovery from extended downturn



Source: Computed from ONS Quarterly GDP data (ABMI)

³⁷ OBR (2013) *Economic and Fiscal Outlook, March 2013*. <http://cdn.budgetresponsibility.independent.gov.uk/March-2013-EFO-44734674673453.pdf>

Figure 2.2 Housing market affordability in the UK

All full time earnings and mix adjusted all buyer house prices

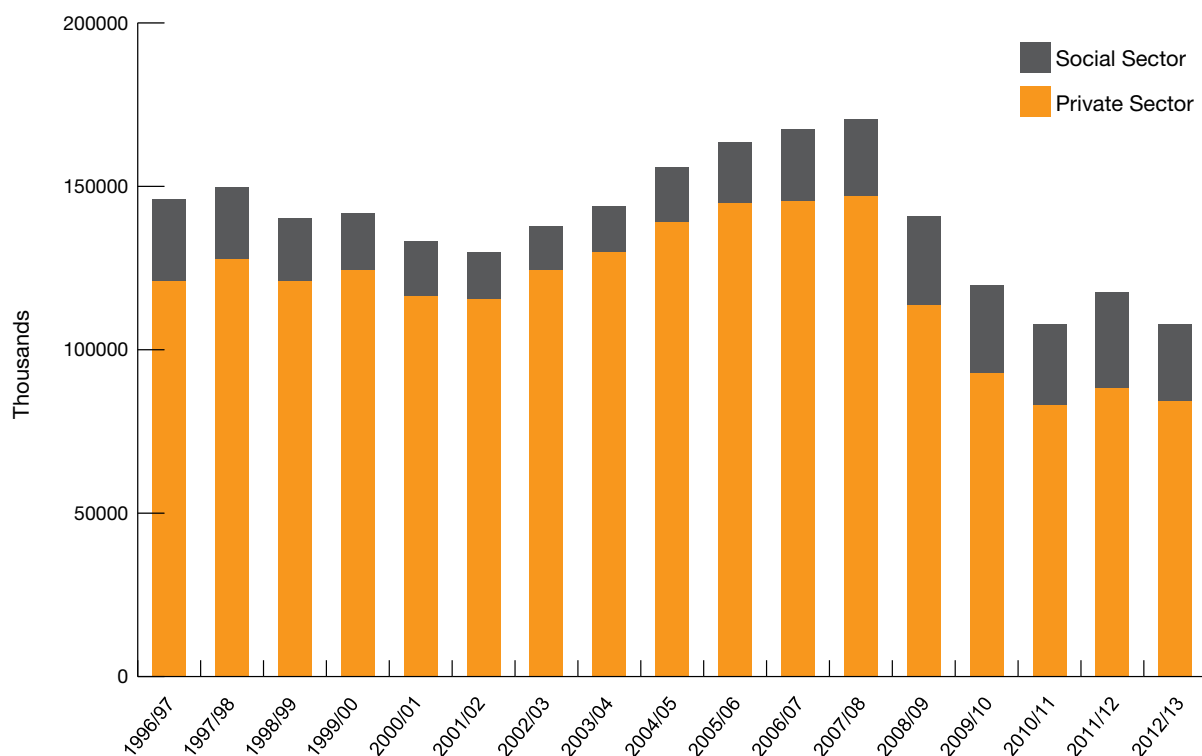
the economy returns to 2007 levels, and unemployment is expected to begin to fall. Moreover, the OBR forecast only suggests that claimant unemployment will fall below 1.4 million in 2017; when it will still be more than 50% higher than in the pre credit crunch years.

While the UK Government did introduce some measures in the 2013 Budget designed to support economic recovery, these were relatively modest, and set within the context of an overall broadly neutral budgetary stance, and with continuing downwards pressures on most areas of public expenditure.

There have also been modest signs of housing market recovery in 2013, although

across the whole of the UK, including London, house prices in mid 2013 remained well below 2007 levels,³⁸ despite the subsequent fall in interest rates, and modest levels of earnings growth over the last five years. Mortgage costs as a percentage of average earnings were in 2012 at the same low levels that prevailed through the late 1990s, and early 2000s, down by over 40% against 2007 levels (see Figure 2.2).

It should be noted that the individual full time earnings data, and the Halifax mix adjusted house price data used for Figure 2.2, have been selected because their characteristics permit a sound long-term view of relative changes in housing market affordability over time. However, the data also tends to overstate the affordability issues for would be

Figure 2.3 House building needs to rise to match projected household growth

Source: DCLG Housing Statistics Live Table 213

first time buyers at any point in time. Firstly a high proportion of first time buyers are couples with two incomes rather than one. Secondly first time buyers are more likely to buy at the lower end of the market, while existing owners are more likely to buy at the higher end of the market. Against that, the figures also assume an average 20% deposit throughout the period, based on the long-term average for first time buyers.

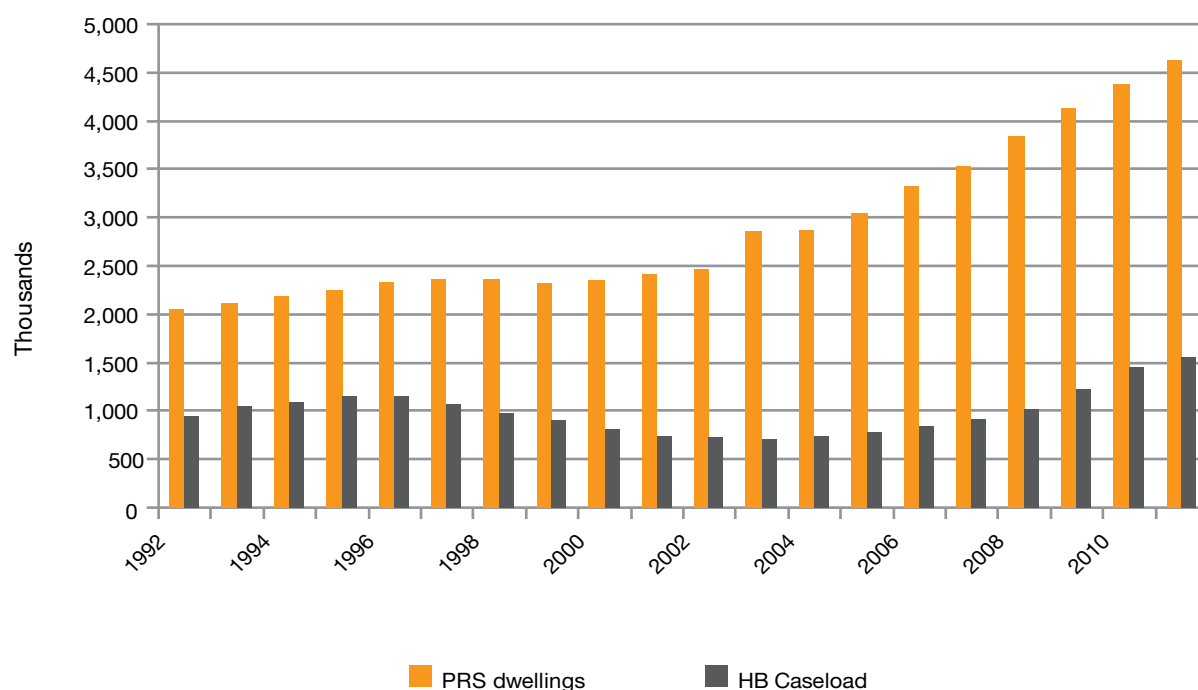
With house prices beginning to rise in 2013 there has been much concern expressed about the Help to Buy (HTB) measures announced in the 2013 Budget, and the potential for those measures to create a 'house price bubble'. However, those measures will still leave the supply of mortgage finance for households with only a limited deposit more constrained than at any time over the last three decades, and as seen above mortgages are currently relatively

affordable.

The Government has, however, asked the Governor of the Bank of England to keep the impact of the HTB measures (and the Funding for Lending scheme which is more generally assisting with the supply of mortgage finance) under review.

A more fundamental, but related, concern is about the shortfall in the levels of new house building relative to levels of household formation, in a context where there are already substantial numbers of 'concealed' and 'sharing' households, and severe levels of overcrowding in London (see Chapter 4 below).

The latest household projections for England suggest that household numbers will grow at an average rate of 220,000 a year over the decade to 2021. Even allowing for the

Figure 2.4 Rapid growth of private rented sector

Source: UKHR for stock data; DWP for HB data

contribution from dwellings created through conversions and changes of use, the rate of new house building would need to almost double from 2012/13 levels just to keep pace with the rate of new household formation, let alone to reduce housing market pressures.³⁹ If the low 2012/13 levels of house building reflected the severity of the recent economic and housing market downturn, the recovery required to match household formation would also need to exceed the rate of new house building achieved at any time over the decade prior to the credit crunch (see Figure 2.3)

This will be challenging in a context of subdued and uncertain economic recovery, a relatively new and untested planning regime in England, and a reduced budget to support

the provision of new social or 'affordable' homes.⁴⁰ Indeed without further measures the most likely scenario will be of further housing market tightening, and greater market pressures for households with low to moderate incomes.

Those same pressures, however, are likely to sustain the continued growth of the private rented sector (PRS) (see Figure 2.4). While the Help to Buy measures should assist some households to switch from private renting to home ownership, as indicated above low deposit mortgages will still be less readily available than over previous decades. Private investors also have a significant market advantage in being able to purchase dwellings with Buy to Let mortgages, that typically only require interest payments to

³⁹ Wilcox, S. & Perry, J. (2013) *UK Housing Review 2013 Briefing Paper (section 4 & 5)*. Coventry: CIH.

⁴⁰ Wilcox, S. & Perry, J. (2013) *UK Housing Review 2013 Briefing Paper (section 6)*. Coventry: CIH.

be covered, while in the regulated market for home owner mortgages, more expensive mortgages with some form of provision for capital repayment are now almost universally required.

Private renting has doubled over the past decade, and has recently overtaken social housing as the largest rental sector in England. But it should also be noted that most of the growth in the PRS is from the purchase of existing dwellings that were previously owner occupied. Very little of the sector growth is based on the purchase of new build dwellings – less than 10% according to a recent Department for Communities and Local Government (DCLG) survey.⁴¹

Within that wider picture the potential role of the growing PRS in providing for lower income households remains in question as the welfare reforms affecting private tenants take effect. Those reforms are discussed in Chapter 3 below.

2.3 The homelessness implications of the post-2007 economic downturn

Analyses of previous UK recessions have suggested that unemployment can affect homelessness both *directly* – via higher levels of mortgage or rent arrears – and *indirectly* – through pressures on family and household relationships.⁴² However, both the local authority (LA) and voluntary sector representatives interviewed in 2013 stressed that policy decisions – especially the radical welfare reform agenda discussed in Chapter 3 – had far more direct relevance to homelessness trends than the recession in and of itself:

“...our biggest concern is welfare reform and the impact that will have. I’m less worried about [economic and housing] market [conditions].”

(LA homelessness officer, rural area, the South, 2013)

“We didn’t really feel that much of an effect post 2007 really... to be honest, for us, the biggest impact has happened post 2010 with the Coalition Government and the austerity measures they’ve introduced.”

(Senior manager, DV service provider, the North, 2013)

No homelessness service provider reported a significant change in the profile of their clients as a result of the recession:

“People quickly ‘falling out’ because of recession, losing a job, may be some cases like that, but usually people who were teetering on the edge anyway.”

(Senior manager, voluntary sector, 2013)

2.4 The homelessness implications of the post-2007 housing downturn

Housing market conditions tend to have a more direct impact on homelessness than labour market conditions⁴³ and the last major housing market recession actually *reduced* statutory homelessness because it eased access to home ownership, which in turn freed up additional social and private lets (see Figure 2.5).

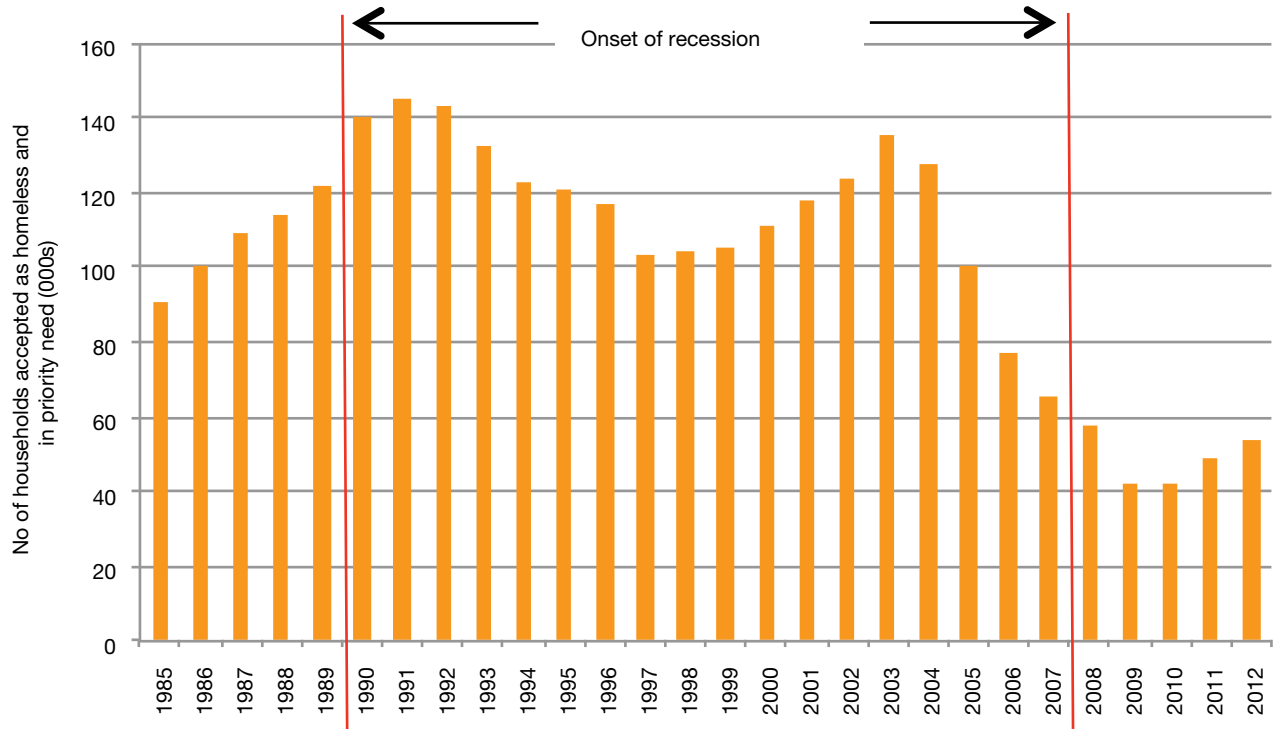
However, as noted in previous Monitors, we anticipated no such benign impact of the housing market downturn in the recent recession, given the now much lower level of

⁴¹ DCLG (2011) *Private Landlords Survey 2010*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf

⁴² Vaitilingham, R. (2009) *Britain in Recession: Forty Findings from Social and Economic Research*. Swansea: ESRC; Audit Commission (2009) *When it Comes to the Crunch: How Councils are Responding to the Recession*. London: Audit Commission. <http://archive.audit-commission.gov.uk/auditcommission/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/whenitcomestothecrunch12aug2009REP.pdf>

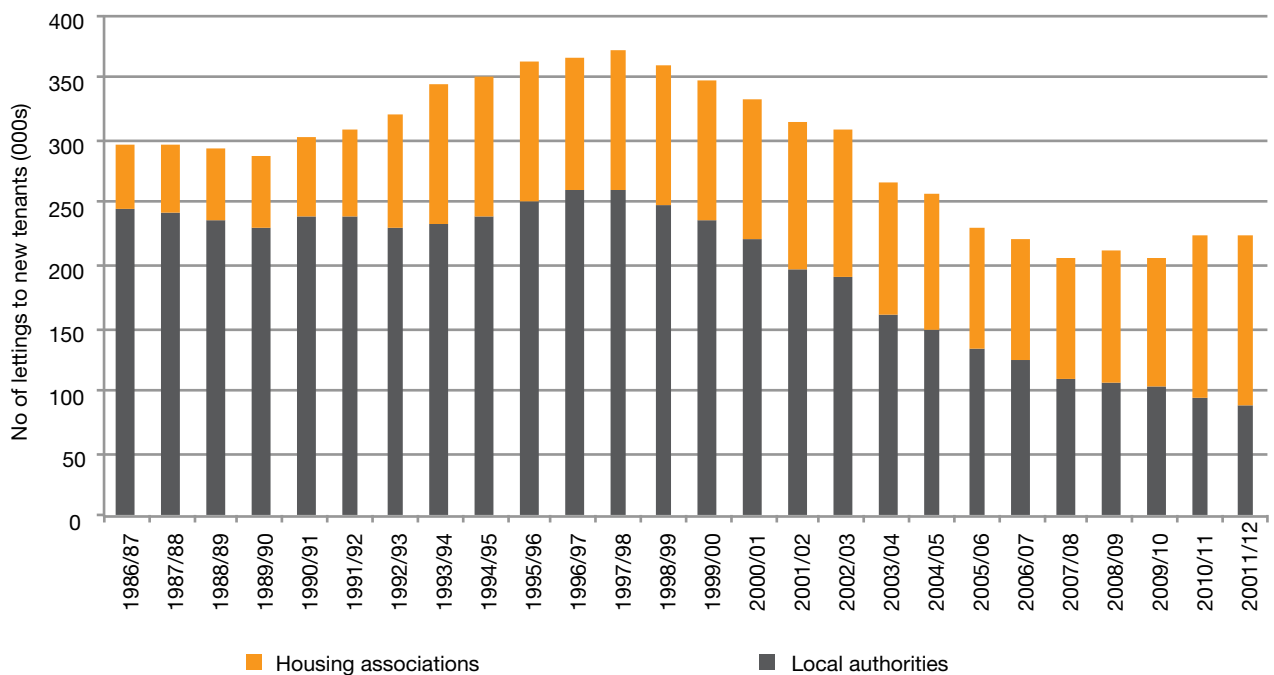
⁴³ Stephens, M., et al. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_et_al_2010_Study_on_Housing_Exclusion_Welfare_policies_Labour_Market_and_Housing_Provision.pdf

Figure 2.5 Homelessness acceptances and economic cycles, 1985-2012



Source: DCLG Homelessness Statistics

Figure 2.6 Post-1990 growth in social rented sector lettings available for new tenants



Source: UK Housing Review – Table 101

lettings available in the social rented sector (due to the long-term impact of the right to buy and continued low levels of new supply) and the continuing constraints on mortgage availability (notwithstanding Help to Buy) that are placing increasing pressure on the rented sectors. The minor recovery in housing association lettings seen in 2010/11 and 2011/12 probably resulted from the new supply brought onstream through the economic stimulus boost injected by Government in 2008-10 (see Figure 2.6). The positive effect, while lagged, is likely to be short-lived.

These housing supply and access factors are critical because frustrated 'entry' into independent housing by newly forming or fragmenting households is a much more important trigger of (statutory) homelessness than are evictions due to rent or mortgage arrears:⁴⁴

"...if you look at our acceptances, the majority are young families, so mum, partner and new baby being asked to leave by family members".

(LA homelessness officer, rural area, the South 2013)

Thus, while much of the anxiety surrounding recessionary impacts on homelessness has focused on arrears-related repossessions, these continue to account for only a very small proportion of all statutory homelessness cases (around 2%, see Chapter 4):

"...people coming to us in mortgage difficulty remains very, very low. So you're talking, last quarter, was only six or seven people, households came to us."

(LA homelessness officer, urban area, the South, 2013)

In practice, the combined impact of low

interest rates and lender forbearance has thus far held down the proportion of mortgage arrears cases resulting in repossession since the 2007 downturn (see Figures 2.7 and 2.8). It is, however, possible that mortgage repossessions could increase if and when higher interest rates begin to bear down on marginal homeowners and/or when higher house prices provide more of an incentive for lender repossession in high arrears cases:

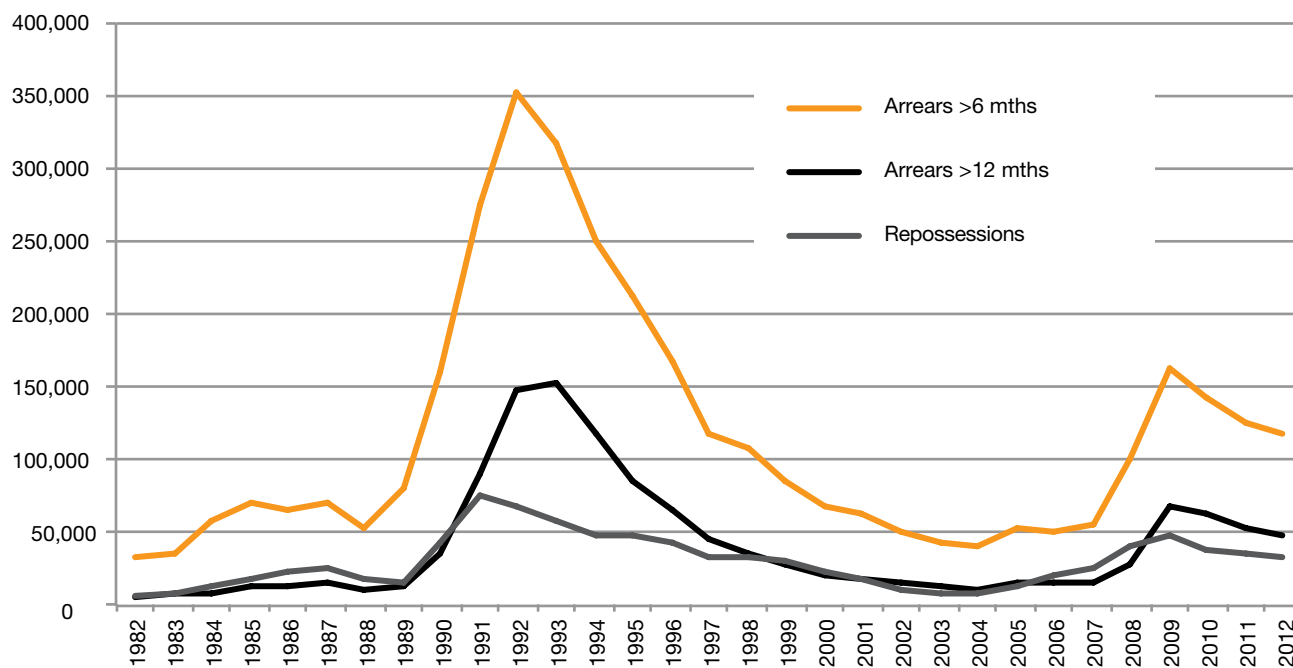
"Lenders are gearing up, the feeling is, to more possession action... a lot of the forbearance conversations you might have had previously, and they're starting to think 'I don't know if that's actually going to be an option for this household'... So although, at the moment, we can say in 60% of our cases we can even negotiate with a lender, or maximise the income, or do something else with that household and therefore they don't lose that accommodation. That might change over the few months..."

(Senior representative, advice service, 2013)

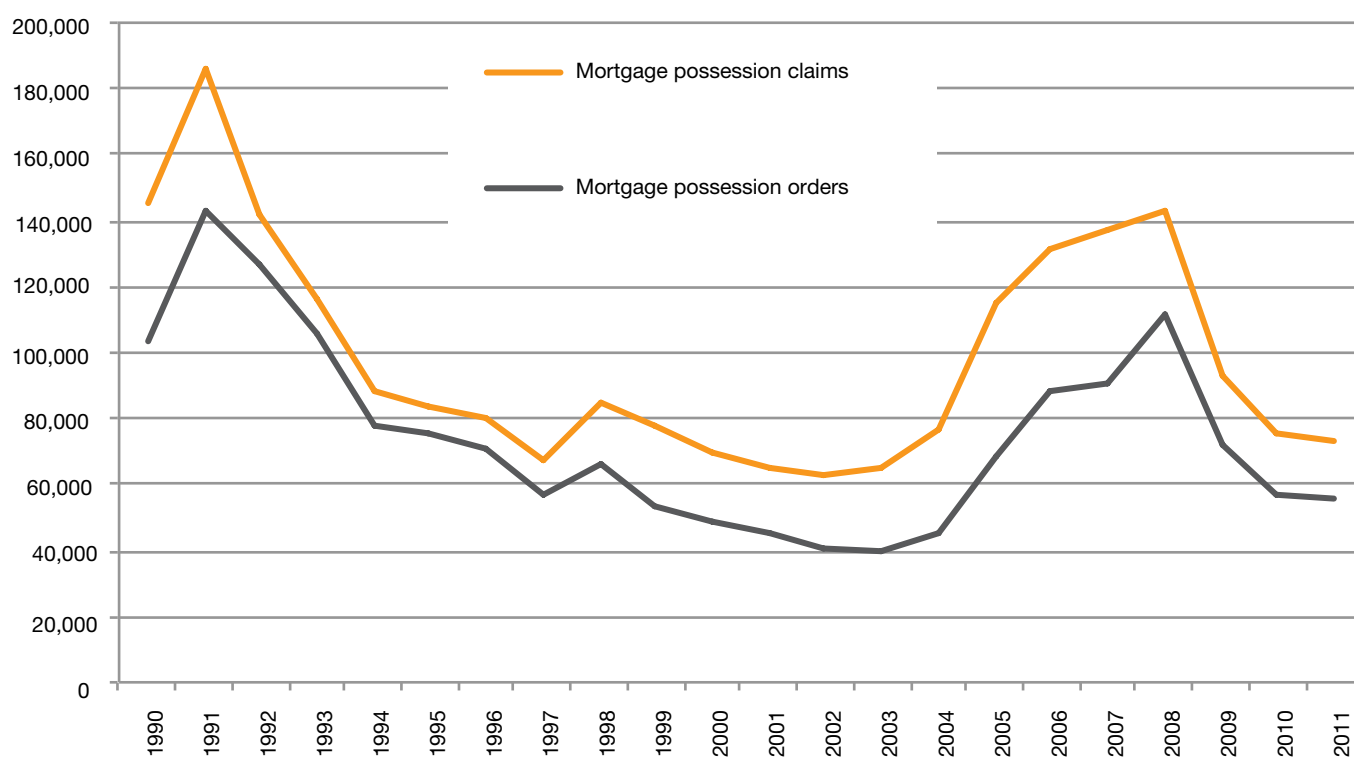
That said, qualitative evidence collected for the Monitor series from across England, and elsewhere in the UK, indicates that most repossessed households manage to find at least an interim solution via family or friends, or by securing a private tenancy. So if the anticipated upsurge in mortgage possessions does occur, it still remains to be seen whether this will have a significant impact on statutory homelessness. In this regard, it is worth bearing in mind that, even at the peak of the last possessions crisis in the early 1990s, mortgage arrears never accounted for more than 12% of homelessness acceptances in England.

Unlike mortgage arrears, rent arrears levels and associated evictions do not appear closely tied to general economic or housing

44 Pleace, N., et al. (2008) *Statutory Homelessness in England: The Experience of Families and 16-17 Year Olds*. London: CLG. <http://www.york.ac.uk/media/chp/documents/2008/Family%20Homelessness%20final%20report.pdf>

Figure 2.7 Mortgage arrears and repossessions, UK 1982-2012

Source: DCLG Live Table 1300

Figure 2.8 Mortgage possession claims and orders, England and Wales 1990-2012

Source: DCLG Live Table 1301

market conditions, with both continuing to fall in the recent recession.⁴⁵ But rent arrears in the social rented sector are now rising rapidly as a result of the Housing Benefit (HB) 'bedroom limits',⁴⁶ and there is an expectation that this will start to feed into eviction actions by social landlords over the next six months to a year (see Chapter 3).

The private rental sector (PRS) is evidently now very important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless) and also as a cause of homelessness (with loss of fixed-term tenancies accounting for a rapidly growing proportion of statutory homelessness acceptances, and now the main cause of homelessness in London, see Chapter 4). But the ability of the PRS to house those who are homeless and/or on low incomes is heavily dependent on HB, and will therefore be fundamentally shaped by the Government's welfare reforms discussed in the next chapter.

2.5 Key points

- In 2013 the UK economy has finally begun to show signs of recovery, but policy factors—particularly ongoing welfare benefit cuts—are likely to have a more direct bearing on levels of homelessness than the recession in and of itself.
- The last major housing market recession helped to *reduce* homelessness because it improved affordability in the owner occupied sector, which in turn freed up additional social and private lets. However, there is no such benign impact of this recent housing market recession as levels of lettings available in the social rented sector are now much lower, and continuing constraints on mortgage availability (notwithstanding HTB) are placing acute pressures on both of the rental sectors.
- Housing supply is at historically low levels and even allowing for the contribution from dwellings created through conversions and changes of use, the rate of new house building would need to almost double from 2012/13 levels just to keep pace with the rate of new household formation, let alone to reduce housing market pressures.
- Although much of the anxiety surrounding recessionary pressures on homelessness focuses on mortgage and rent arrears, these factors continue to account for only a very small proportion of statutory homelessness cases. Even if mortgage repossessions start to rise over coming months, qualitative evidence suggests that most repossessed households will manage to find at least an interim solution via family or friends, or by securing a private tenancy. Rent arrears in the social rented sector, on the other hand, are now rising rapidly as a result of the bedroom limits and the effects of this may become more visible in the statutory homelessness statistics over the next year or two.
- The PRS is now the largest rental sector in England and is increasingly important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless) and also as a cause of homelessness (with loss of Assured Shorthold Tenancies (ASTs) now the single largest reason for statutory homeless acceptances in London). The ability of the PRS to house those who are homeless and/or on low incomes is heavily dependent on HB and will therefore be fundamentally shaped by the Government's welfare reforms.

⁴⁵ Fitzpatrick, S., et al. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>; Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. http://www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2012_WEB.pdf

⁴⁶ Dugan, E. (2013) '50,000 people are now facing eviction after bedroom tax', *Independent*, 19th September: <http://www.independent.co.uk/news/uk/politics/exclusive-50000-people-are-now-facing-eviction-after-bedroom-tax-8825074.html>

3. Coalition government policies potentially impacting on homelessness in England

3.1 Introduction

Chapter 2 considered the homelessness implications of the post-2007 economic downturn. This chapter now turns to review policy developments under the Coalition Government that might be expected to affect homeless people and those vulnerable to homelessness, particularly in the fields of housing, homelessness, and welfare reform. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter, are as yet evident in trends in national datasets.

3.2 Housing policies, homelessness policies and the 'localism' agenda

It has been argued that housing can be considered, to some extent, 'the saving grace' in the British welfare state, as the UK does better by low income households on a range of housing indicators than it does on most international poverty league tables.⁴⁷ Housing thus appears to be a comparative asset, helping to moderate the impact of poverty on low-income households, notwithstanding evidence that 'housing deprivation' is now on a long-term rising trend in the UK,⁴⁸ as is 'housing cost induced poverty', particularly in London and other high housing cost areas.⁴⁹

Three key housing policy instruments appear to contribute to breaking the link, at least

partly, between poverty and poor housing outcomes in the UK: Housing Benefit; a substantial social housing sector, which acts as a relatively broad, and stable, 'safety net' for a large proportion of low income households; and the statutory homelessness system, which protects some categories of those in the most acute need.⁵⁰

The Localism Act (2011) together with the Coalition Government's broader welfare reform agenda serve to undermine these protective aspects of this national 'housing settlement'. The significant reforms to Housing Benefit and other aspects of welfare are discussed in the next section. Here we consider the potential impacts of changes to social housing and statutory homelessness policies, as well as developments on policies pertaining to single homeless people and rough sleepers. It may also be worth noting in these preliminary remarks that the demotion of the Housing Minister in the recent Cabinet reshuffle, from Minister of State to Undersecretary of State, does not bode well for the priority to be given to housing policy in the immediate future at least.⁵¹

Social housing

As Becky Tunstall and colleagues have recently commented:

"Social housing [in the UK] is highly targeted on people with low incomes and

⁴⁷ Bradshaw, J., Chzhen, Y. & Stephens, M. (2008) 'Housing: the saving grace in the British welfare state', in S. Fitzpatrick & M. Stephens (eds.) *The Future of Social Housing*. London: Shelter.

⁴⁸ Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/The-HomelessnessMonitor.pdf>; see also Gordon, D., et al. & the PSE team from the University of Bristol, Heriot-Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen's University Belfast, University of Glasgow & University of York (2013) *The Impoverishment of the UK - PSE First Results. Living Standards*. http://www.poverty.ac.uk/system/files/attachments/The_impoverishment_of_the_UK_PSE_UK_first_results_summary_report_March_28.pdf

⁴⁹ Tunstall, R., et al. (2013) *The Links Between Housing and Poverty*. York: JRF. <http://www.jrf.org.uk/sites/files/jrf/poverty-housing-options-summary.pdf>

⁵⁰ Fitzpatrick, S. & Stephens, M. (eds.) (2008) *The Future of Social Housing*. London: Shelter.

⁵¹ Kelly, L. (2013) 'Reshuffle: Kris Hopkins appointed housing minister', *Guardian*, 8th October: http://www.theguardian.com/housing-net-work/2013/oct/08/reshuffle-housing-minister-kris-hopkins?CMP=&et_cid=47553&et_rid

has been shown to be the most 'pro-poor' and redistributive major aspect of the entire welfare state." (p.2)⁵²

But the move towards fixed-term 'flexible' tenancies in social housing ushered in by the 2011 Act, and the introduction of 'Affordable Rent' (AR) of up to 80% of market levels, will in time weaken the sector's safety net function, and may also impact negatively on community stability and work incentives.⁵³ There are significant concerns about the interaction between the AR regime and benefit restrictions pricing low-income households out of 'affordable' social housing in high cost areas, particularly inner London.⁵⁴ While there appears to be a divide emerging along party political lines on fixed-term tenancies (FTTs), with many Labour-led councils rejecting their use,⁵⁵ in the view of some of our interviewees the requirement for housing associations to 'have regard' to LA policies on FTTs was "toothless".

There is also concern that the local restriction of social housing eligibility also risks excluding some marginalised groups from the sector. While the retention of the 'reasonable preference' criteria should mean that a predominant needs focus is maintained in allocations, there is clearly the potential for local authorities to exclude households who, if they were permitted to join the waiting list, would be entitled to a statutory reasonable preference.⁵⁶ Moreover, international reviews sound a cautionary note about the potential implications for exclusion of the poorest and most vulnerable households from mainstream

social housing if strong national frameworks governing eligibility as well as allocations are not retained.⁵⁷

Some of our voluntary sector key informants felt that the radical implications of these social housing policy changes for homelessness had not been fully appreciated as welfare reform has been the more urgent issue, and worried that changes in allocations policies, for example, have tended to be "brushed aside" as not the main focus of concerns. But representatives of advice agencies voiced concerns that "many local authorities now are coming up with draconian allocations policies", and this was also key issue for DV services, especially in London, where they highlighted that 'local connection' and other eligibility criteria were being introduced that disadvantaged their client group.

Several of the LA representatives we interviewed reported that their council was taking advantage of the opportunity to restrict eligibility for registration on their waiting list to people demonstrably in housing need. "We want to encourage culture change. If you're able to find your own housing you should do so" (LA homelessness officer, London, 2013). An important part of the logic here is that there is no point in registering people with only low or moderate needs which mean they are highly unlikely to be rehoused, and thus 'closed' waiting lists help to manage demand and administrative burdens. However, others noted that processing applications that incorporate an affordability assessment can

52 Tunstall, R., et al. (2013) *The Links Between Housing and Poverty*. York: JRF. <http://www.jrf.org.uk/sites/files/jrf/poverty-housing-options-summary.pdf>

53 Fitzpatrick, S. & Pawson, H. (2011) *Security of Tenure in Social Housing: An International Review*. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_Pawson_2011_Security_of_Tenure.pdf; Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, DOI:10.1080/02673037.2013.803043

54 BBC News (2013) 'Councils seeks judicial review of mayor's rent plan', *BBC News*, 8th September: <http://www.bbc.co.uk/news/uk-england-london-24002244>

55 Inside Housing (2013) 'Labour councils bin fixed-term tenancies', *Inside Housing*, 11th January: <http://www.insidehousing.co.uk/tenancies/labour-councils-bin-fixed-term-tenancies/6525276.article>; Brown, C. (2013) 'Minister urges councils to set fixed-term tenancies', *Inside Housing*, 11 January: <http://www.insidehousing.co.uk/6525296.article>

56 Baldwin, T. & Luba, J. (2012) *The Localism Act 2011: allocation of social housing accommodation*. <http://www.gardencourtchambers.co.uk/imageUpload/File/Localismarticle2Jan.pdf>

57 Fitzpatrick, S. & Stephens, M. (2007) *An International Review of Homelessness and Social Housing Policy*. London: CLG. <http://www.york.ac.uk/media/chp/documents/2007/interviewhomelessness.pdf>; Fitzpatrick, S. & Pawson, H. (2011) *Security of Tenure in Social Housing: An International Review*. Edinburgh: Heriot-Watt University. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_Pawson_2011_Security_of_Tenure.pdf

become an equally labour intensive process.

Another key theme that emerged across England was an apparently growing 'business' orientation on the part of larger housing associations to the detriment of their 'social mission', which was said in some cases to impact on their willingness to accommodate very low income groups, including homeless people:

"One of the things around social housing that we have concerns about, is that some of the larger registered providers are getting more concerned about their bottom line finances, than their social responsibilities. So there's one registered provider [in city] that now requires a week's rent in advance before they'll offer a tenancy..."
(LA homelessness officer, urban area, the South, 2013)

Statutory homelessness

The Localism Act 2011 introduced 'compulsory' discharge of the statutory homelessness duty into fixed-term private tenancies without requiring applicant consent. While such accommodation must be deemed 'suitable' in order to discharge the main duty,⁵⁸ including with respect to location, question marks have been raised about the standards of quality and appropriateness that will be applied, especially given the pressure on LAs to secure properties that are affordable under the new Local Housing Allowance (LHA) rules (see below).⁵⁹

While these measures don't appear to have been widely deployed by LAs as yet, advice agency representatives reported that the vast majority of LAs they were in contact with planned to adopt the new powers,

with some London boroughs: *"...being very upfront about saying that they will be moving people out of their area, and [named London Borough] is very blatantly saying we are looking at all parts of the country, basically, to end this duty that way."* But as was reported in the 2012 Monitor, in other cases it was felt that the compulsory discharge powers had value primarily as a 'lever' to disincentivise statutory homelessness applications rather than as a practical tool that would be much used in practice:

"... it helps if you say, 'Well yes, that's fine, you can make a statutory application, but we can discharge you into the private sector'. So I think as we pick up, I mean I can't see us doing huge numbers into the private rented sector, but certainly for some."
(LA homelessness officer, urban area, the South, 2013)

One of our voluntary sector key informants raised concerns about weak levels of quality monitoring in PRS accommodation being procured for use as temporary accommodation (TA) and in preventative interventions, as well as for discharge of duty, and about the lack of applicant choice, particularly with respect to area. In this regard it is relevant to note increasing concern over 'out of district' TA placements which have doubled since 2010: of the 56,210 households in TA on 30th June 2013, 11,160 were in another local authority district, an increase of 38% from the same date last year.⁶⁰ Most of these cases arise in London, and London Councils say that they relate mainly to moves within London, although recent reports have suggested that the number of these households placed outside

58 Homelessness (Suitability of Accommodation) (England) Order 2012 (SI. 2601): [http://www.legislation.gov.uk/ukxi/2012/2601/article/3/made; DCLG \(2012\) *Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness \(Suitability of Accommodation\) Order 2012*: \[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9323/121026_Stat_guidancewith_front_page_and_ISBN_to_convert_to_pdf.pdf\]\(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9323/121026_Stat_guidancewith_front_page_and_ISBN_to_convert_to_pdf.pdf\)](http://www.legislation.gov.uk/ukxi/2012/2601/article/3/made;DCLG%20(2012)%20Supplementary%20Guidance%20on%20the%20homelessness%20changes%20in%20the%20Localism%20Act%202011%20and%20on%20the%20Homelessness%20(Suitability%20of%20Accommodation)%20Order%202012%20https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9323/121026_Stat_guidancewith_front_page_and_ISBN_to_convert_to_pdf.pdf)

59 Garvie, D. (2012) 'Location, location: how localism is shunting homeless families out', *Guardian*, 7th February: <http://www.guardian.co.uk/housing-network/2012/feb/07/location-localism-homeless-families-shelter>; Hilditch, S. (2012) 'Homelessness safety net: going, going, gone?', *Red Brick*, 27th June: <http://redbrickblog.wordpress.com/2012/06/27/homelessness-safety-net-going-going-gone/>

60 DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

of the capital is now increasing.⁶¹

The outer London Borough we studied had investigated the possibility of TA placements outside of London but had not as yet found this necessary, while the inner London Borough had continued the expansion of its PRS procurement for homelessness prevention beyond borough boundaries into outer London but not yet outside of London to any significant extent. Nonetheless 'displacement effects' are clearly a growing concern for some LAs outside of London:⁶²

"...they're saying that they're competing with London authorities who are basically procuring private rented sector accommodation in their area. Because the London authorities have got more money and making quite high offers, incentive-type offers to private landlords... one of the London authorities ... [is] offering private landlords £2,000 per tenancy to take somebody on, basically, as a one-off non-refundable payment."

(Senior manager, advice service, 2013)

A new theme to emerge from the additional key informant interviews this year was the de-prioritisation of single women fleeing DV, reported in several case study areas and linked to the loss of council funding as a result of austerity measures:

"...we saw a shift and there was very clear communication from the top of the council that no longer would single women be deemed priority... Even though in the guidance it says fleeing domestic violence should be deemed vulnerable, they're using case law from the 80s and the Pereiratest to say that, because that

defines vulnerability and talks about mental health and medical conditions, and saying that that's the only definition of vulnerability."

(Senior manager, DV service provider, the North, 2013)

Supporting People, single homelessness and rough sleeping

The introduction of the Supporting People (SP) funding stream in 2003 was central to the expansion and improvement of homelessness resettlement services across the UK.⁶³

However, with the 2009 abolition of SP ring-fencing in England, LAs were freed to divert these funds to other local priorities, and with the subsequent severe funding cuts faced by some LAs, many homelessness services have seen their funding reduce in real terms.⁶⁴

Homeless Link's 2013 'SNAP' survey of homelessness services in England⁶⁵ reports that there has been a 9% reduction in bed spaces since SNAP 2010, and fewer projects are targeting services at clients with specific needs, suggesting a shift away from specialist towards more generic provision. It is now more common for projects to refuse access to 'high risk' people, rising from around half of projects in SNAP 2012 to over three-quarters by SNAP 2013, and over half (55%) report refusing clients because their needs are deemed too high. SNAP 2013 also reports that services are taking fewer clients who don't have a local connection.

Many of the voluntary sector representatives we interviewed in 2013 reported very significant funding cuts in their LA funding over the next year, ranging from 15% to 28%. In some cases they reported being able to minimise service impacts by raising more

61 Duxbury, N. (2013) 'Londoners housed outside capital doubles', *Inside Housing*, 1st November: <http://www.insidehousing.co.uk/tenancies/londoners-housed-outside-capital-doubles/6529299.article>

62 See also: Duxbury, N. (2013) 'Londoners housed outside capital doubles', *Inside Housing*, 1st November: <http://www.insidehousing.co.uk/tenancies/londoners-housed-outside-capital-doubles/6529299.article>

63 Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) (2009) *Homelessness in the UK: Problems and Solutions*. Coventry: CIH.

64 Homeless Link (2013) *Survey of Needs and Provision 2012: Homelessness Services for Single People and Couples Without Dependent Children in England*. http://homeless.org.uk/sites/default/files/SNAP%202013%20Final%20180413_2.pdf

65 Ibid.

resources from charitable, social enterprise and other sources, and/or by persuading the relevant LA to allow them to deploy their resources more flexibly. However, there are undoubtedly impacts now being felt by service users with, for example, London boroughs being much stricter about young people spending a maximum of two years in transitional accommodation, and in one Northern area there was reported to be a four week limit on hostel stays, with service users said to feel that *“a lot of choice is being taken from them”* (Manager, single homelessness service provider, the North, 2013). The supply of both hostel and supported accommodation places was felt to be diminishing in the capital with little by way of a strategic overview of the implications: *“DCLG say it’s all devolved, and GLA [Greater London Authority] say it’s all up to the Boroughs!”* (Senior manager, single homelessness service provider, London, 2013). Another London-based voluntary sector key informant noted that, while hostel closure has attracted a lot of attention, more insidious has been the undermining of tenancy sustainment and other low intensity support services. There was said to be a *“race to the bottom”* in terms of cutting the hourly rates of staff, and therefore their level of experience, reducing the quality of support offered.

Organisations working with survivors of DV were especially concerned about the increased LA focus on ‘local connection’, with some London boroughs cutting bed spaces on the basis that they’re funding more than their fair share: *“a lowest common denominator approach”* has emerged. The shift from specialist to more generic provision was also said to have worrying implications for this group:

“...there’s... concerns around the impact that the new commissioning is going to

have on services and whether or not that DV services are going to be able to retain the specialist gender specific support services which are really critical for women and children who are fleeing domestic abuse...”

(Senior manager, DV service provider, the North)

Voluntary sector agencies in many parts of England complained about the quality of the SP⁶⁶ commissioning process, with commissioners who lacked an *“understanding of client group”* going back to *“old school”* commissioning that paid little attention to encouraging people’s independence, wider aspects of their inclusion, etc. Tendering was said to be based on up to 90% cost/10% quality, although in one instance we heard there had been a moderate ‘redressing’ of this imbalance over the past year, possibly because LAs have become more aware of the risks in always opting for the cheapest bid. More positively, it was reported that a minority of LAs were using the cuts as a prompt to innovation, carrying out radical strategic reviews which were leading to more coherent services and better/cheaper provision. One key informant also made the point that the unringfencing of SP means that it can more easily be combined with health and social care funding, but in reality this opportunity is not often realised.

Perhaps in recognition of the potentially serious implications of SP cuts and the ‘localisation’ agenda for single homeless people, particularly those who sleep rough, an interdepartmental Ministerial Working Group on Homelessness (MWG) was established by the post-2010 Government. The centrepiece of its first report, published in July 2011,⁶⁷ was the national roll out of No Second Night Out (NSNO), first launched in

⁶⁶ While with ending of ring-fencing this funding stream is no longer technically ‘SP’, most in the sector continue to refer to it in this way so we follow that convention here.

⁶⁷ DCLG (2011) *Vision to End Rough Sleeping: No Second Night Out Nationwide*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6261/1939099.pdf

London in April 2011 as a pilot programme with the aim of ensuring that new rough sleepers do not spend a second night on the streets.⁶⁸ Our key informants in London viewed NSNO as “*very successful*” in helping large numbers of people off the streets and in clarifying responsibilities amongst London boroughs, but some key informants in the North and Midlands were sceptical, or even scathing, about NSNO as applied in their area: “*A bogus, expensive, complicated waste of time*”. This criticism arises out of the different nature of rough sleeping in northern cities, where the main concern is said to be entrenched rather than new rough sleepers. Against this, another voluntary sector representative argued that there had been positive effects of NSNO outside of London, and it has operated as a “*strong catalyst*” for agencies to work together, stimulating “*new ways of working*”, and extensive cross-boundary work in some sub-regions.

We commented in last year’s Monitor that the MWG’s second report, published in August 2012,⁶⁹ and focused on homelessness prevention, was rather short on specifics, or at least specific initiatives which were new. However, it has led to the establishment of the National Practitioner Support Service and the ‘Gold Standard Programme’, a LA peer-led programme, funded by DCLG, providing support, guidance and training to LAs to improve their homelessness services and meet the challenges faced by the sector as laid out in the MWG second report.⁷⁰ This is an entirely ‘voluntary’ model, and there is no obvious mechanisms by which to drive improvements in performance amongst LAs who do not wish to engage (i.e. there is no

equivalent of the more pro-active standard-setting role performed in the recent past by DCLG’s ‘Specialist Advisors’). DCLG’s current, largely passive, stance with respect to LA performance in this area raises the question as to whether there remains a national policy view on homelessness in England.

On the other hand, and notwithstanding the serious implications of the large cuts to SP funding discussed above, it is also only fair to acknowledge the Government’s commitments on other aspects of homelessness funding. Thus, the Homelessness Prevention Grant distributed to LAs has been protected in the face of severe funding cuts affecting DCLG⁷¹ (albeit that there are some concerns about its transfer to the Business Rates Retention Scheme),⁷² and £40million of capital spending has recently been earmarked for hostels.⁷³ The Government has also announced a £1.9 million fund to be distributed between seven LAs to help them reduce unlawful use of bed and breakfast (B&B) accommodation for families with children.⁷⁴ The Government further made available £18.5 million to support work by sub-regional partnerships to tackle single homelessness. The Homelessness Transition Fund, funded by DCLG and administered by Homeless Link, is continuing to March 2014 providing grants to voluntary sector organisations to help roll out the NSNO principles and other innovations (including a number of ‘Housing First’ projects), and to support strategically critical single homelessness services, particularly those working with rough sleepers. The Crisis-run PRS Access Development Programme is likewise financed

68 Broadway, University of York & Crunch Consulting (2011) *No Second Night Out: An evaluation of the first six months of the project*. <http://www.nosecondnightout.org.uk/wp-content/uploads/2012/01/NSNO-6-month-review-Final.pdf>

69 DCLG (2012) *Making Every Contact Count: A Joint Approach to Preventing Homelessness*. London: DCLG. <http://www.communities.gov.uk/publications/housing/makeeverycontactcount>

70 DCLG (2013) ‘£1.7 million Gold Standard sets new homelessness benchmark’, *DCLG News Story*, 9th April: <https://www.gov.uk/government/news/1-7-million-gold-standard-sets-new-homelessness-benchmark>; DCLG (2012) *Making Every Contact Count: A Joint Approach to Preventing Homelessness*. London: DCLG. <http://www.communities.gov.uk/publications/housing/makeeverycontactcount>

71 DCLG (2012) ‘Safety net against homelessness continues to 2015’, *DCLG Announcement*, 2nd September: <https://www.gov.uk/government/news/safety-net-against-homelessness-continues-to-2015>

72 National Practitioner Support Service (2013) *Peer-led Prevention Partnership, Presentation to the Sounding Board Meetings, September 2013*. Winchester: Winchester City Council, DCLG and National Practitioner Support Service.

73 Prisk, M. (2013) ‘Housing Speech’, 27th June: <https://www.gov.uk/government/speeches/housing-speech-by-mark-prisk>

74 DCLG (2013) ‘£1.9 million to tackle bed and breakfast living’, *DCLG Press Release*, 1st August: <https://www.gov.uk/government/news/19-million-to-tackle-bed-and-breakfast-living>

by DCLG, and will run to 2014.⁷⁵ The Government has also supported innovations in addressing entrenched rough sleeping, notably the London Homelessness Social Impact Bond launched in November 2012 to focus on improved outcomes for 'persistent' rough sleepers whose needs were not being met by existing services or other specialist programmes.

Welcome as they are, it seems likely that these homelessness-specific efforts will be overwhelmed by the damaging effects of larger economic and policy forces, particularly the welfare reform agenda now discussed. It should also be noted that several of these specialist funding initiatives are scheduled to end in 2014.

3.3 Welfare policies

The raft of government welfare reform measures likely to impact on homelessness are now all at least partly operative. While we are beginning to see the initial impacts from some of those policies, in most cases it remains too early to assess their full impact. A detailed description of this reform programme is provided in previous Monitors,⁷⁶ and in the discussion below we focus on the most recent developments. However, earlier this year a detailed analysis was published showing the local variations in the combined estimated impacts of the government welfare reforms and cutbacks, and this highlights those areas where the overall effects will be greatest.⁷⁷

It is estimated that in overall terms the programme of welfare reforms will take some £19 billion pounds a year out of the economy once they have fully come into operation. While this equates to an average of £470 a

year for every working age adult across Great Britain, in fifty areas the losses average £600 or more for each adult, and in three areas the losses average £800 or more (Blackpool £910, Westminster £820, and Knowsley £800).

It is in this wider context that we focus on the most recent developments that have a direct relevance for homelessness.

Local Housing Allowance

Changes to the Local Housing Allowance (LHA) regime for private tenants led the way in the welfare reform agenda, and have been applicable to all new claimants for over two years, and to all existing claimants for a period of between nine and 21 months, dependent on their circumstances. The reforms principally involved basing LHA rates on those prevailing towards the lower end of the market (i.e. lower 30th percentile levels), rather than (median) average rents, and imposing maximum caps on rates in some areas of central London.

However, administrative data on LHA claims is only currently available for the period till August 2013. Nationally, this shows that the number of LHA claimants have continued to rise since March 2011, but at a much slower rate than in the five years prior to the LHA reforms. In England as a whole the numbers of private tenants in receipt of Housing Benefit (HB) rose by 7.8% from 1,376,440 in March 2011 to 1,483,709 in August 2013. The rate of growth in London was much less at 5.2%; and in inner London numbers have actually fallen by 5.9% since the end of 2011 when the new regime first began to apply to existing claimants. There has been an even sharper decline in the areas of central London affected by the caps on maximum

⁷⁵ Crisis (2013) *The Crisis PRS Access Development Programme 2010-2014*. <http://www.crisis.org.uk/pages/crisis-private-renting-funding.html>

⁷⁶ See Section 4.2 in Fitzpatrick, S., et al. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>; See Section 4.3 in Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>

⁷⁷ Beatty, C. & Fothergill, S. (2013) *Hitting the Poorest Places Hardest: The Local and Regional Impact of Welfare Reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

LHA rates, with declines of some 25% since March 2011 in Kensington and Chelsea and in Westminster.⁷⁸ As intended, the policy is therefore making it much more difficult for lower-income households to secure, or sustain, tenancies in the PRS in the high cost areas impacted by the LHA caps. As a result people are being displaced and having to seek accommodation in lower cost areas.

There has also been a particular decline in the numbers of younger single households in the PRS in receipt of HB, following the extension of the Shared Accommodation Rate (SAR) to single people aged 25 to 34. Between December 2011 and August 2013, the numbers of 25-34 year olds in receipt of HB in the PRS fell by 18,165 (15.1%) to 102,088.

However, it is also notable that over the same periods the numbers of single people under 25 in receipt of HB in the PRS fell from 60,816 to 54,214 (-10.9%). Overall, the numbers of single people aged under 35 in receipt of HB fell by 13.7%.

Given that overall LHA claimant numbers are continuing to increase, this substantial reduction in the numbers of young single HB claimants in the PRS can be taken as a consequence of the combined effect of the SAR being extended to a broader age range and its being set to the lower 30th percentile market level (the SAR was in any event already much lower than one bedroom rates). It is certainly consistent with the reports from agencies about difficulties in securing accommodation in the PRS for younger single people (see below) and research showing the very limited availability of private rented accommodation with rents within reach of the new SAR rates.⁷⁹

The published HB data shows that the average payments made to private tenants have declined since the new LHA regime was introduced. Across England as a whole average payments to private tenants were £108.38 per week in August 2013, compared to £113.84 in March 2011; a reduction of 4.8%. While the reduction in cash terms was largest in London (-£7.64 per week), this was below average in percentage terms (4.2%). The largest reduction in percentage terms was in the Yorkshire & Humber region (6.3%).

However, without further information, and the next report from the formal Department for Work and Pensions (DWP) evaluation of the reforms,⁸⁰ there is not a clear picture of how far the reduced LHA rates and other factors, such as actions by landlords and tenants, have contributed to the lower awards. As well as the decline in LHA numbers in inner London as a result of the LHA caps, one further factor to take into account is the rise in the proportion of working claimants who receive partial, rather than 'full' HB.

It should also be recognised that while the LHA reforms are now fully operational, there will be a further time lag before the long-term market responses to those reforms by claimants and landlords will be seen. Those responses will also be changing over time as the limits on uprating LHA look set to further depress LHA rates relative to movements in market rents, bearing in mind that LHA rates will be uprated by no more than 1% annually over the next three years, in line with the overall cap on increases in most working-age benefits (see further discussion on this point in Chapter 4).

78 DWP (2013) 'Housing Benefit and Council Tax Benefit Summary Statistics', *National Statistics*, 1st April: <https://www.gov.uk/government/publications/housing-benefit-and-council-tax-benefit-summary-statistics-january-2013> (and earlier additions). May data extracted from DWP Stat-Xplore. Note that figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

79 Sanders, B. & Teixeira, L. (2012) *No Room Available: Study of the Availability of Shared Accommodation*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/1212%20No%20room%20available.pdf>

80 Beatty, C., et al. (2012) *Monitoring the Impact of Changes to the Local Housing Allowance System of Housing Benefit: Summary of Early Findings*. London: DWP. <https://www.gov.uk/government/publications/monitoring-the-impact-of-changes-to-the-local-housing-allowance-system-of-housing-benefit-summary-of-early-findings-rr798>

The Benefit Cap and Bedroom Limits

The overall cap on welfare benefits was introduced in four local authorities in April 2013, and has now been extended across the whole of the country. The cap – set at £350 per week for single people, and £500 for all other households – applies to out-of-work households below pensionable age, with exemptions for households with disabilities.

The caps impact particularly on larger families, and households in London and other higher rent areas. The impact assessment estimated that some 58,000 households would have their benefits reduced as a result of the benefit cap, with 52,000 in England, of which some 25,000 were expected to be in London. While the (median) average estimated benefit reduction was £62 per week, for a third of all cases the estimated reduction was greater than £100 per week.⁸¹

Data for the first four authorities (all in London) where the cap was introduced in April show that by the end of June 2,658 households had been affected by the cap, with all but 71 households including families with children.⁸² A more detailed analysis of the impact of the cap in one of those authorities (Haringey) found that only one in eight were social sector tenants, while the great majority were more or less evenly split between the PRS and TA.⁸³ In the short-term the impact on the families in TA was being largely offset by the councils provision of Discretionary Housing Payments (DHPs), but this was not considered to be sustainable given the planned future reduction in DHP budgets.

Thus far there had been only very limited household response, either in terms of

moving into employment, or seeking a move to areas with lower housing costs. While a large proportion of those affected would not be subject to the cap if they were able to move into local social sector accommodation, that option is subject to constraints on availability, and over time the position of the affected claimants is expected to become increasingly untenable.

The bedroom limits on the levels of eligible rent for households in the social rented sector were also introduced in April 2013, and were applied immediately to both new and existing working age tenants. Officially these bedroom limits have been designated as the ‘spare room subsidy’ limits, but they have been more widely referred to as the ‘Bedroom Tax’. The term ‘bedroom limits’ is used throughout this report as a less loaded and more straightforward description of the limits than either of the alternatives.

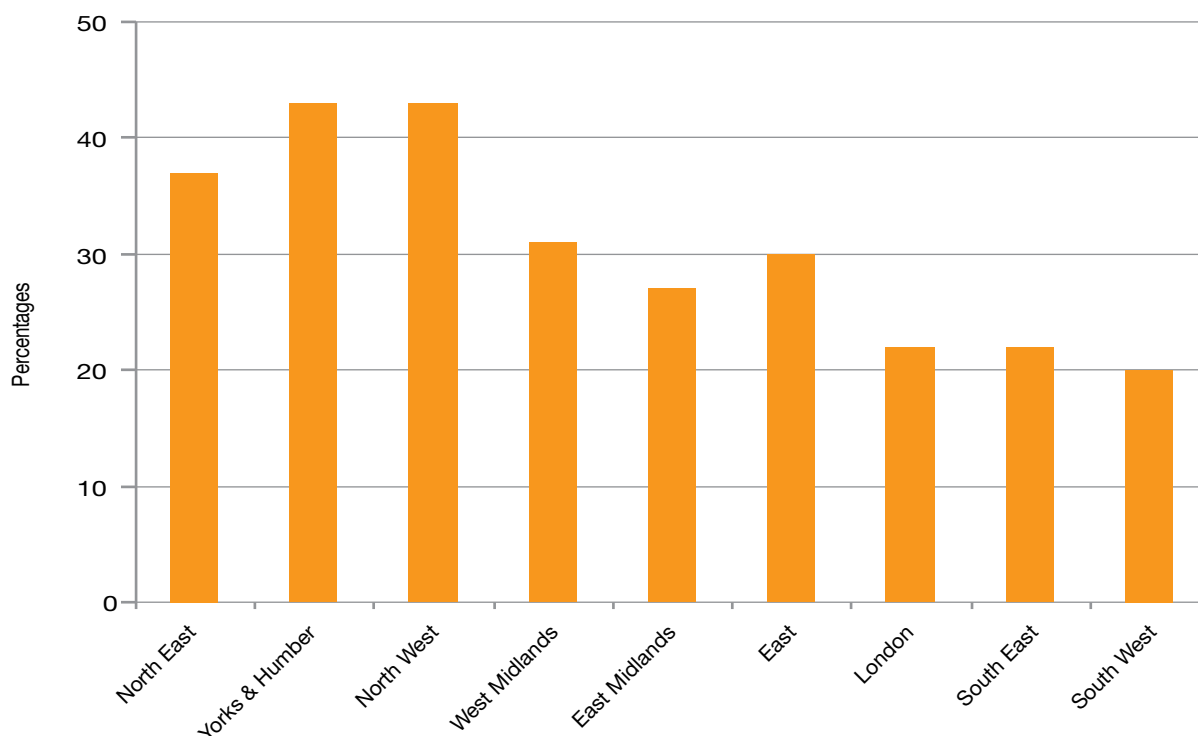
DWP estimated that the bedroom limits would impact on some 660,000 households across Great Britain as a whole, but with a disproportionate impact in the northern regions of England (as well as in Scotland and Wales) (see also our independent analysis of under-occupation in Chapter 4). In the northern regions of England it was estimated that around two-fifths of all out-of-work working age households in the social sector would face benefit limits under the new rules (see Figure 3.1). It is also notable that almost two-thirds of the claimant households affected were estimated to involve a disabled claimant or partner.⁸⁴ It should further be noted that this estimate does not include those households with a disabled child.

⁸¹ DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. <http://www.dwp.gov.uk/docs/hb-benefit-cap-draft-regs-2012-memorandum.pdf>

⁸² DWP (2013) *Benefit Cap – Number of Households Capped across Phased Area Local Authorities data to June 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226359/benefit-cap-june-2013.pdf

⁸³ CIH & Haringey Council (2013) *Experiences and Effects of the Benefit Cap in Haringey*. <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Experiences%20and%20effects%20of%20the%20benefit%20cap%20in%20Haringey%20-%20October%202013.pdf>

⁸⁴ DWP (2012) *Housing Benefit Size Criteria for People Renting in the Social Rented Sector Impact Assessment Updated June 2012*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf

Figure 3.1 Proportion of working age claimants impacted by social sector bedroom limits

Source: DWP Impact Assessment, 2012

Official statistics on the initial impact of the bedroom limits are now available, showing the numbers of social tenants in receipt of HB subject to a benefit limit deduction. These show a total of 522,905 cases in Great Britain subject to a deduction in August 2013, of which 417,367 are in England.

While this is slightly lower than the initial DWP estimates the numbers are still very substantial. These figures also relate to a date five months after the implementation of the bedroom limits, and thus will not show the cases where tenants have transferred to smaller dwellings, or landlords have re-designated the number of bedrooms in their stock. Nor will they show the numbers of cases where tenants previously in receipt of partial HB no longer qualify as a result of the bedroom limit reductions in their entitlement. Nonetheless, while other factors are also

involved, the administrative data shows average awards for social sector tenants continuing to rise between April and August 2013, and only a small reduction in the numbers of social sector claimants (c12,500) between March and August 2013.

Not too much can be read into the comparison between the DWP estimates and the first set of administrative out turn figures, as the estimates were made in broad terms based on 2009/10 data from the Family Resources Survey, with all the inherent limitations of estimates of that kind.

The central message from the administrative data is that the bedroom limits are having a substantial impact on claimants in all parts of the country, and especially in the northern regions of England. This message has also been reinforced by reports from a number of different social landlord organisations.⁸⁵

⁸⁵ Housing Futures Network (2013) *The Impact of Cutting Housing Benefit on Underoccupiers in Social Housing*. <http://www.affinitysutton.com/media/410135/Housing%20Futures%20report%20-%20final.pdf>; National Housing Federation (2013) 'More than half of families hit by bedroom tax pushed into debt', *NHF Press Release*, 18th September: <http://www.housing.org.uk/media/press-releases/more-than-half-of-families-hit-by-bedroom-tax-pushed-into-debt>

Those reports have raised a number of issues, as did the debates while the provisions were being considered in Parliament, and as reflected in the comments from our interviewees. Indeed the bedroom limits were viewed as the “*overwhelming*” welfare issue by our LA key informants, north and south, this year. The bedroom limits have also attracted considerable party political attention (the Labour Party has made a commitment to abolish the policy if they win the next general election) and media attention, particularly in the wake of recent comments from the UN Special Rapporteur on Adequate Housing, Raquel Rolnik, who angered Conservative Ministers with her call for:

*“...the so-called Bedroom Tax [to] be suspended immediately and...fully re-evaluated in the light of the evidence of its impact on the right to adequate housing and general well-being of many vulnerable individuals.”*⁸⁶

Issues arise partly because of the very restrictive nature of the bedroom limits, which reflect pre World War II environmental health standards, rather than contemporary social values,⁸⁷ and assume that all bedrooms can (and should) be shared by both adults and children, regardless of their size.

This policy also effectively assumes that the people affected can very quickly secure suitable alternative smaller dwellings, but in many parts of the country this is simply not the case, as there is a structural mismatch between the size of dwellings within the stocks of social landlords, and the size of dwellings that households are deemed to require under the bedroom limits. Some

landlords have calculated that it would take them between five and thirteen years to provide smaller sized accommodation for all those households affected.⁸⁸

Limited budgets for Discretionary Housing Payments (DHPs) have been made available to local authorities to assist in cases where they recognise the household’s requirements for additional bedrooms, but as is inevitably the case with such discretionary provisions they are difficult to administer, their application is patchy, and budgets are typically underspent.⁸⁹ An early indication of their use for bedroom limit cases suggests that they are only being made available to one in twelve of the tenants affected by the limits, and even then only as a three or six month transitional provision.⁹⁰

The very restrictive definitions in the bedroom limit regulations have given rise to a number of legal challenges, with appeal bodies finding in different cases that either rooms were too small to be considered as bedrooms, or that there were some circumstances where it could not be considered reasonable to expect couples with particular health issues to share a bedroom.⁹¹ Following a Court of Appeal ruling, the DWP are currently amending legislation to allow for Housing Benefit to provide for an additional bedroom for a severely disabled child unable to share. Other legal challenges are also in the pipeline, particularly with respect to some disabled people’s requirements for an additional bedroom, and the final legal position is far from clear, with some confusion about the division of powers between landlords and local authorities (in their benefit capacity) in

⁸⁶ OHCHR (2013) ‘Press Statement by the United Nations Special Rapporteur on adequate housing: End mission to the United Kingdom of Great Britain and Northern Ireland, 29 August to 11 September’, *Office of the High Commissioner of Human Rights Press Statement*, 11th September: <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=13706&LangID=E>

⁸⁷ Holmans, A (2005) *Historical Statistics of Housing in Great Britain*. Cambridge: Department of Land Economy, University of Cambridge.

⁸⁸ National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.

⁸⁹ Merrick, N. (2012) ‘Councils underspend payments for struggling households by £8 million’, *Guardian*, 25th June: <http://www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend>

⁹⁰ National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.

⁹¹ Nearly Legal (2013) *Bedroom Tax FTT Decisions*. <http://nearlylegal.co.uk/blog/bedroom-tax-fft-decisions/>; Brown, C. (2013) ‘Full details of first bedroom tax tribunal rulings’, *Inside Housing*, 23rd September: <http://www.insidehousing.co.uk/regulation/full-details-of-first-bedroom-tax-tribunal-rulings/6528701.article>

defining how many bedrooms there are within a dwelling.

These bedroom limits impact negatively on a wide range of groups, beyond those with health and care needs not recognised by the provisions, including separated fathers where childcare responsibilities are divided, women fleeing domestic violence living in properties fitted with specialist 'sanctuary' measures, and more generally households willing but unable to secure an exchange or transfer to a suitable smaller dwelling.

It is too early to reach firm conclusions on the net impact of the provisions, and it must be recognised that there are indirect as well as direct impacts.⁹² To the extent that impacted tenants are able to move to smaller accommodation, this will reduce the availability of smaller dwellings to new social housing applicants, including single homeless people.

Conversely, downsizing moves by existing tenants have the potential to free up the supply of larger dwellings for homeless families and other households in need, including the large numbers of overcrowded households in the social rented sector (see Chapter 4). There was a sense amongst some LAs in London and the South (but none in the North) that the resulting discipline has some advantages from the landlord perspective – *"Once we've got over this initial firestorm, it's something which will help us manage our own stock"*.

Also, it is recognised that the bedroom limits could possibly have some effect in suppressing homelessness due to family/friend exclusions. Thus a number of our

key informants, including some from youth homelessness providers, commented that some parents might 'hold onto' some young people rather than eject them from the family home in order to avoid being affected by the bedroom limits; though in all cases they emphasised that their remarks were based on anecdotal reports and they were not sure how widespread a phenomenon this was. Moreover, increases in levels of non-dependent deductions (NDDs) to Housing Benefit⁹³ are likely to have had an offsetting impact in this regard, although again there is no firm data available on the extent of that effect.

However, it is clear that the bedroom limits is a major issue with harsh consequences for many households, many of whom have been pushed into rent arrears for the first time. Landlord surveys covering the first three months operation of the bedroom limits suggest that about a half of all those tenants affected have not been able to pay their rents in full, including a quarter that have moved in to rent arrears for the first time.⁹⁴

The follow-on consequences in terms of how tenants and landlords have reacted and what it has led to in terms of arrears, pressure on the finances of both households and landlords, and social sector evictions, will become clearer in the coming months as these rent arrears build and mitigating measures like DHPs run out. A fuller evaluation of the impacts of the bedroom limits will be possible in next year's edition of the Homelessness Monitor.

Universal Credit

The Universal Credit (UC) regime is intended to combine several existing benefits,

⁹² Pearson, A. (2013) 'North East homeless are hit by Government's bedroom tax', *The Journal Press Release*, 24th June: <http://www.thejournal.co.uk/news/north-east-news/north-east-homeless-hit-governments-4715216>

⁹³ NDDs are intended to take account of contributions to housing costs assumed to be made to the official tenant by household members aged 18 or over. As noted in previous Monitors, these are generally quite small in cash terms, but may have a significant cumulative effect. See p.46 in Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/The-HomelessnessMonitor.pdf> (see p.46)

⁹⁴ National Housing Federation (2013) 'More than half of families hit by bedroom tax pushed into debt', *NHF Press Release*, 18th September: <http://www.housing.org.uk/media/press-releases/more-than-half-of-families-hit-by-bedroom-tax-pushed-into-debt>

including Housing Benefit, and to radically simplify the structure of welfare benefits in the UK. A full account of the structural reforms was set out in last year's edition of the Homeless Monitor.⁹⁵

The new regime is now operational in a small number of pathfinder areas, but the overall timetable for rolling out the new regime has now been deferred from original plans, not least due to difficulties in developing the IT system for a still complex scheme, where the detailed regulations and operational requirements for the scheme were not finalised until quite recently. Poor management and lack of cost controls in the development of the new regime have been severely criticised in a report from the National Audit Office.⁹⁶

At the end of July the UC regime was being introduced on a very limited basis for some new claimants in four areas (Tameside, Oldham, Wigan and Warrington), and by the end of March 2014 it is planned to be operational in further six areas (Hammersmith, Rugby, Inverness, Harrogate, Bath, Shotton). While the intention was that the rollout across the rest of the country would take place at some time during the course of the following year, and that from late 2015 the scheme would begin to be applied on a phased basis to existing claimants, in the light of IT and administrative difficulties there is now some uncertainty about this timetable.

Quite apart from the uncertainty over the timetable and the effectiveness of the IT system, there are a number of specific concerns about the operation of the scheme. A major anxiety relates to the reliance on online application processes, with only

limited provision being made to support claimants who are less familiar with, and/or able to cope with, IT systems. The prospect of single monthly payments to one bank account raised particular anxieties amongst DV organisations, as financial abuse is often a key means by which violent men maintain control over their partners. For supported accommodation providers, there were continuing anxieties about ambiguities around the definition and treatment of 'exempt accommodation', including hostels, refuges and related provision.

A more general concern, especially voiced by social sector landlords, is that the arrangements for UC to include the element based on housing cost entitlements being paid direct to the tenant will lead to both an increase in rent collection administration costs, and to rising levels of rent arrears. Those concerns have been reinforced by the experiences of the social landlords involved in the DWP direct payment demonstration projects. After nine months in operation average rent arrears across the projects stood at 6% of rents due.⁹⁷

Those landlord concerns were matched by our voluntary sector key informants' comments about claimants finding it difficult to manage with the switch to monthly payments under UC, alongside a hardening of attitudes towards rent arrears by a number of social landlords, who see both UC and the bedroom limit rules as a threat to their established business plans and in turn their ability to improve or add to their stock:

"...we are sensing a difference in the way they [housing associations] operate their business. So they're now asking for a week's rent in advance before they sign

⁹⁵ See pp. 47-51 in Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/TheHomelessnessMonitor.pdf>

⁹⁶ National Audit Office (2013) *Universal Credit: early progress*. London: The Stationery Office. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>

⁹⁷ DWP (2013) *Direct Payment Demonstration Project: Learning and Payment figures – May 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228925/direct-payment-demo-figures-may-2013.pdf

tenants up... They've talked about using mandatory grounds for rent arrears, rather than discretionary grounds that they normally use, although we haven't seen it yet I think it potentially will come. I think they're expecting their rent arrears to go up slightly but I think they're adapting different business models to try and keep them down as far as they possibly can, and that's where they're being tougher on their tenants."

(LA homelessness officer, rural area, the South, 2013)

Several cases were reported whereby housing associations were introducing pre-tenancy assessments with an affordability component, which led in some instances to their saying that families on benefits couldn't afford a social rent:

"Now if it was 'affordable rent' I could kind of understand that because you are potentially trapping people in a poverty trap, but in a social rent I really struggle with the concept that somebody can't afford it if they're on benefits. Because if they can't afford that what can they afford? So I think that's been a side product of the combination of welfare reforms and risk assessment by our partners, and I think it's yet to be worked through, but it causes me a lot of concern."

(LA homelessness officer, the South, 2013)

While the UC regime will not, in itself, involve any further reduction in benefit levels beyond those already in train, it will still involve gainers and losers relative to the current regimes, albeit that existing claimants will be provided with transitional protection.⁹⁸ Lone parents are prominent among the losers, as their allowances are constructed on a less favourable basis for UC than is the case with the current tax credits regime.

Though the reforms are intended to promote transparency and work incentives, the impact of the reforms on incentives will be mixed. On the one hand the removal of the confusing overlap of tax credit and Housing Benefit tapers, which can leave some households with only some five pence for every additional £1 of earnings, is itself welcome, but a consequence of the reform is that eligibility for UC will extend much further up the income scale than under the current Housing Benefit regime.⁹⁹

A consequence of this is that an increasing proportion of social sector tenants in low to moderate paid work will be brought within the scope of the welfare system, and this will be further exacerbated by the extension of the Affordable Rent regime (see above) to an increasing proportion of social sector tenants.

A further feature of the UC reforms is that it will restructure the treatment of non-dependent household members. Instead of non-dependent deduction (NDD) levels related to the employment status and earnings levels of the non-dependents there will be a single flat rate requirement for a 'Housing Cost Contribution', at a suggested rate of £65 per month. This is a lower requirement than the current NDDs for anyone earning over £124 per week. However, this simplified approach will require an increased contribution from those households with non-dependents not in work, or with very low earnings.

Work Programme and increased conditionality

The issue that was of greatest concern to single and youth homelessness service providers in 2013 was the ratcheting up of the sanctions regime for Jobseekers Allowance (JSA) and Employment and Support Allowance (ESA) claimants. The Work

⁹⁸ See pp. 9-10 in DWP (2012) *Universal Credit Impact Assessment*. London: DWP. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf. Also see pp. 47-51 in last year's edition of the Homelessness Monitor for further discussion of the UC scheme, and wider reductions in benefits expenditure over the last few years.

⁹⁹ Wilcox, S. & Perry, J. (2013) *UK Housing Review 2013 Briefing Paper*. Coventry: CIH.

Programme was introduced in June 2011, and applies not just to jobseekers but also those on long-term sickness benefits. The programme requires compulsory participation in specified 'work related activity'. Failure to participate without 'good cause' results in benefit sanctions or reductions.

A recent study by Homeless Link reports that 31% of homeless JSA claimants had been sanctioned, as compared with 3% of typical claimants.¹⁰⁰ One youth homelessness provider remarked that a quarter of the residents in one of their projects had now been sanctioned, and a major single homelessness provider remarked that over half of all of their residents had been sanctioned. In all of these cases sanctions were reported to be predominantly associated with 'process' matters (e.g. around missing Jobcentre Plus appointments) rather than (lack of) engagement with Jobcentre Plus or Work Programme). While in some cases DWP were said to be making considerable efforts to 'flag' homeless and other vulnerable groups, so that sanctions were not applied without the advice of support agencies, such 'goodwill' measures were difficult to implement consistently across such complex systems.

As well as the impact on their clients, including the debts they will incur and struggle to pay down once these sanctions end, some of these single and youth homelessness providers were also concerned about their sanctioned clients' inability to pay service charges which may eventually affect the financial viability of accommodation services.

Youth homelessness providers additionally made the point that young people still living at

home, if sanctioned, are less able to contribute financially to their families' household budget.¹⁰¹ Crucially, the adults in their families were also often having their benefits cut, so that it was becoming "*harder for families to keep them*".

As in 2012, there were strong views expressed this year that single homeless people were not getting a good service from the Work Programme prime contractors, who were making an economic decision that, even though a higher premium was attached to working with the neediest groups, the chances of success were so slim that they were not worth the effort.¹⁰² This corresponds with evidence from the early evaluation of the programme suggesting a degree of 'cherry picking' by service providers to focus on those cases most likely to succeed.¹⁰³

More generally official statistics have shown the limited success of the Work Programme in achieving positive outcomes, despite some improvement since the inception of the scheme. Data for June 2013 shows that only around one in seven JSA claimants achieved a 'Job Outcome' within 12 months following their referral to the programme, and only around one in 25 ESA claimants.¹⁰⁴

At the same time, substantial numbers of claimants have been subject to some kind of benefit sanctions, and figures for 2013 show that those numbers are continuing to increase. In the first three quarters of 2013 some 1.2 million JSA claimants in England were subject to sanction referrals, and in about a half of those cases an adverse decision was reached.¹⁰⁵

¹⁰⁰ Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. <http://homeless.org.uk/news/benefit-sanctions-hitting-homeless-people-hardest#.UkyEixaR--8>

¹⁰¹ The increased level of NDDs noted above will also have a deleterious effect on this group's impact on the family budget.

¹⁰² See also: Sanders, B., Teixeira, L. & Truder, J. (2013), *Dashed Hopes, Lives on Hold: Single Homeless People's Experience of the Work Programme*. London: Crisis. <http://www.crisis.org.uk/research.php?fullitem=390>; Crisis, Homeless Link & St Mungo's (2012) *The Programme's Not Working: Experiences of Homeless People on the Work Programme*. <http://homeless.org.uk/news/work-programme-not-working-homeless-people#.UkxoJRaR--8>

¹⁰³ Newton, B., et al. (2012) *Work Programme Evaluation: Findings from the First Phase of Qualitative Research on Programme Delivery*, Research Report No 821. London: DWP. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193323/rep821.pdf

¹⁰⁴ DWP (2013) *Work Programme Official Statistics to June 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210226/work-programme-stats-summary-june-2013_v2_020713.pdf

¹⁰⁵ DWP (2013) *Number of Jobseeker's Allowance Sanctions and Disallowances where a decision has been made in each month from 1 April 2000 to 21 October 2012*, Ad Hoc Statistical Analysis Quarter 3, 2013. <https://www.gov.uk/government/publications/number-of-jobseekers-allowance-sanctions-and-disallowances-where-a-decision-has-been-made-in-each-month-from-1-april-2000-to-21-october-2012>

The Social Fund

The 'localisation' of the Social Fund (since April 2013) was felt by voluntary sector providers to have had a major impact on their clients, who in most cases were no longer able to gain access to cash loans for large items such as fridges, beds, etc and crucially, for rent in advance. Some LAs seem to be offering nothing at all by way of replacement for the Social Fund, while in other cases they were using local organisations to provide 'in-kind' support, second hand furniture and the like. In addition, local schemes are cash limited and increasingly applying local connection criteria to the support they provide. A sharply increased use of 'food banks' was also mentioned:

"... we've seen the need for food banks which we never ever saw before. It was never the position that women couldn't afford food and now that's regular. We have to have food provision at our centre because women and their children are coming in hungry. We couldn't really imagine three or four years ago that we'd be in this position.

So many women are reliant on it."
(Senior manager, DV service provider, the North)

The observations by providers are borne out by a survey of LA schemes undertaken by The Children's Society.¹⁰⁶ In the context of the substantial overall government budgetary reduction in provision for emergency support, they found that the great majority of LAs were opting to provide 'in kind' rather than cash assistance. Almost two thirds of LAs were solely providing 'in kind' support, while a further one in six were typically providing

'in kind' support with cash assistance only in exceptional cases. Just one in nine LAs have opted to solely provide cash assistance.

Future welfare policies

There are ongoing concerns about the likelihood of further reforms that will either restrict eligibility for, or reduce the value of, welfare support such as those suggested at recent party political conferences. Greatest anxieties focus on indications that a future Conservative administration would remove entitlement to Housing Benefit, and possibly also to unemployment-related benefits, from 16-24 year olds.¹⁰⁷ However, there are no firm plans for new measures at present, and like much else the detailed future plans will depend on the outcome of the next general election.

3.4 Other relevant policies

While a range of other areas of Government policy have implications for homelessness, this year the most important additional area of concern appeared to be funding cuts to housing advice services. The Legal Aid, Sentencing and Punishment of Offenders Act 2012 took effect on 1st April 2013,¹⁰⁸ imposing significant cuts on legal aid funding. Though legal aid is still available for those on low incomes at immediate risk of losing their homes, this support is no longer available on other relevant issues such as employment, debt, family disputes, immigration and welfare benefit problems.¹⁰⁹ Early intervention to deal with housing debts before court will also be out of scope, which seems strongly counter to the prevailing preventative ethos. In many areas advice services are under threat because of LA as well as legal aid funding cuts.

¹⁰⁶ Royston, S. & Rodrigues, L. (2013) *Nowhere to Turn? Changes to Emergency Support*. London: The Children's Society. <http://www.childrens-society.org.uk/sites/default/files/tcs/nowhere-to-turn-final.pdf>

¹⁰⁷ BBC News (2013) 'David Cameron suggests cutting benefits for under-25s', *BBC News*, 2nd October: <http://www.bbc.co.uk/news/uk-politics-24369514>

¹⁰⁸ Law Society (2013) 'Legal aid changes: key information and advice', *Law Society Article*, 13th March: <http://www.lawsociety.org.uk/advice/articles/legal-aid-changes-key-information-and-advice/>

¹⁰⁹ Bowcott, O. (2013) 'Cash-strapped law centres turn clients away as legal aid cuts bite', *Guardian*, 18th September: <http://www.theguardian.com/law/2013/sep/18/law-centres-clients-legal-aid>; Citizens Advice (2012) *Out of Scope, Out of Mind: Who Really Loses from Legal Aid Reform*. London: Citizens Advice. http://www.citizensadvice.org.uk/index/policy/policy_publications/er_legal/out_of_scope.htm

This issue was stressed particularly by DV service providers. While under the new family legal aid rules private law services are available to victims of DV, ‘trigger evidence’ has to be produced and this evidential threshold was said to be problematically high:

“...the [legal aid] changes are having a devastating impact on women, especially in relation to domestic violence. The criteria for proving DV for legal aid basically means there’s a large number of women who can’t get any support around child contact, divorce, financial settlement and child contact...Legal advice is the single biggest issue that women are coming to us with at the moment...”

(Senior manager, DV service provider, the North, 2013)

3.5 Key points

- The Localism agenda risks undermining the national ‘housing settlement’ which has hitherto played an important role in ameliorating the impact of income poverty on disadvantaged households. The move towards less secure tenancies and closer to market rents will weaken the safety net function of the social rented sector, particularly in London, while the local restriction of waiting lists risks excluding some marginalised groups from mainstream social housing.
- There are growing concerns about out of district TA placements, particularly within London, and the scope for compulsory discharge of the statutory homeless duty into fixed-term private tenancies has raised concerns about the quality and appropriateness of the accommodation that may be offered to vulnerable households. At the same time, some felt that these compulsory discharge powers had value primarily as a ‘lever’ to disincentivise statutory homelessness applications rather than as a practical tool that would be much used in practice.
- The lifting of the Supporting People ring fence as well as national budget cuts has impacted on the front-line services available to homeless people, with the prospect of more significant cuts to come in many areas.
- At the same time, Government has supported a range of homelessness-specific initiatives, and protected some relevant funding streams, but it seems likely that these efforts will be overwhelmed by much larger economic and policy forces tending to drive homelessness up.
- In particular, the growing impact of welfare reform is expected to drive increases in homelessness in England over the next

few years, as it will weaken the safety net that provides a 'buffer' between a loss of income, or a persistently low income, and homelessness.

- Two impacts of the LHA reforms are the source of particularly acute concerns. The first is the impact of the LHA caps in reducing access to the PRS for low income households in the high value areas impacted by the caps. The second is the impact of the SAR, as now applied to single people aged up to 35, in reducing their access to the PRS. There has been a 14% reduction in the numbers of young single claimants in the sector since the SAR measures were introduced.
- The most problematic aspects of the welfare reforms introduced in 2013 include: the overall benefit caps; the bedroom limits for social sector tenants; and localisation of the Social Fund. Of these it is the bedroom limits that are currently giving rise to the greatest concerns. Youth and single homelessness charities are particularly concerned about the impact of benefit sanctions on their clients.
- A range of other Government policies may also impact on homelessness, with particular concerns focussed this year on cuts in legal aid funding and local housing advice services.

4. Homelessness trends in England

4.1 Introduction

Previous chapters have reviewed the possible homelessness implications of the post-2007 economic recession and policy reforms instituted under the Coalition Government. This chapter assesses how far these are matched by recent homelessness statistical trends.¹¹⁰

4.2 Rough sleeping

An upward trend in rough sleeping remained evident in 2012, with the national total up by 31% over the previous two years. However, the rate of increase had slowed in 2012, with an annual rise of 6% – as compared with 23% in 2011. Recent growth rates appear similar at regional level. It should be noted that the 2010 introduction of a revised monitoring framework¹¹¹ means that earlier numbers are not strictly comparable with current statistics.

While DCLG's post-2010 national monitoring system may have been a slight improvement on the previous approach, it remains vulnerable to many of the critiques of rough sleeper 'count methodologies' as detailed in last year's Monitor, including the problematic combination of counts with (often dubious) estimates.¹¹² Nevertheless, the more robust data for London available from the Broadway CHAIN system¹¹³ tell a similar story on trends over time (see Figure 4.2). While a growth dynamic continued to be in place (2012/13 numbers up 62% over two years), the rate of increase fell, with an annual rise of 13% in 2012/13 compared with 43% the previous year. It is probable that the large

jump in rough sleeping in 2011/12 was in part attributable to improved outreach associated with the NSNO programme, although there is also general acknowledgement of an underlying 'real' rising trend in rough sleeping too. Most key informants who commented in 2013 suggested that one probable explanation for this upward trend in rough sleeping was a weakening in the support available to the most vulnerable single homeless people as a result of SP cuts, which may be undermining their capacity to sustain accommodation.

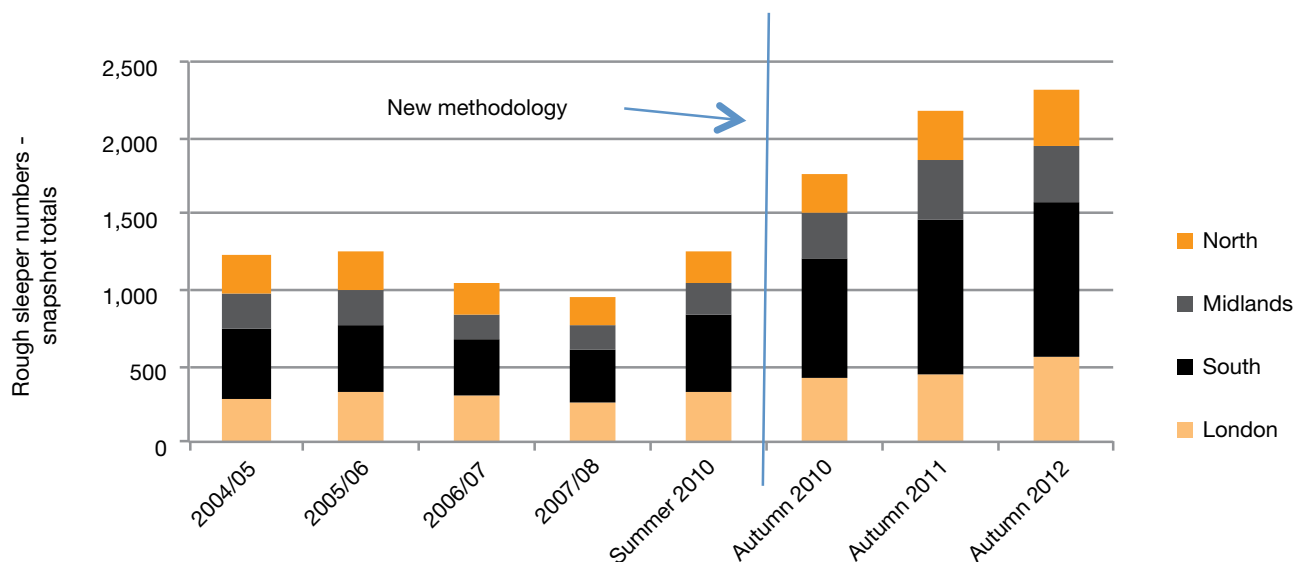
The CHAIN dataset certainly confirms that – at least in London – the rising trend of rough sleeping substantially pre-dates the introduction of Coalition Government welfare reforms (see Figure 4.2). A major contributor here has been the growing representation of Central and Eastern European (CEE) and other foreign nationals among London's rough sleepers. While UK-origin numbers increased by over two thirds (66%) over the five year period since 2007/08, Polish and other CEE rough sleepers grew more than fourfold (360%). By 2012/13 individuals of CEE and other overseas origin accounted for 53% of London's rough sleepers (up from 40% in 2007/08). The 2011 easing of CEE migrant worker benefit restrictions therefore does not appear to have reduced levels of rough sleeping amongst this group. Nevertheless, while UK nationals now account for only just under half of the London total (46%), and this cohort has increased slightly less rapidly than overseas migrant rough sleepers in recent years, the logged UK-origin rough sleeper total for 2012/13 was

¹¹⁰ Analysis draws on the most up-to-date published and unpublished data available at the time of writing (autumn 2013).

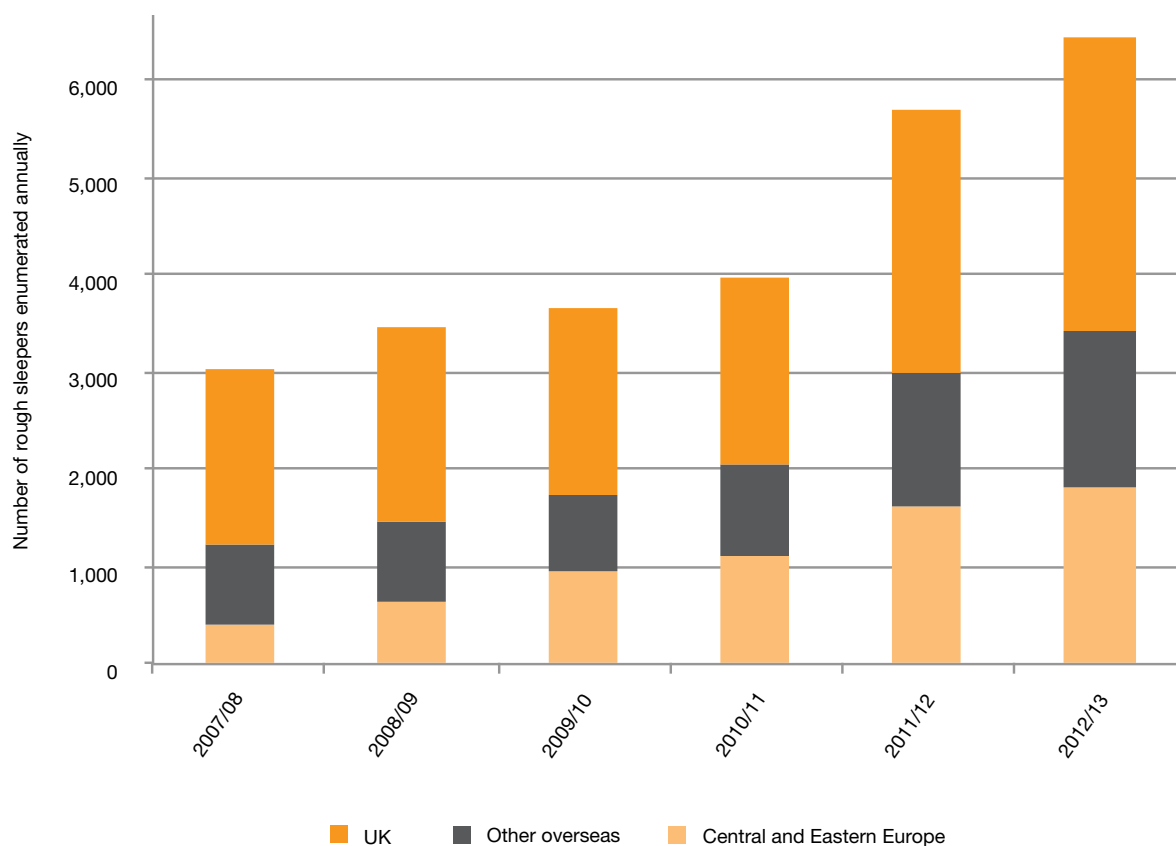
¹¹¹ See: Homeless Link (2010) *Evaluating Rough Sleeping Toolkit*. <http://www.homeless.org.uk/evaluating-roughsleeping-toolkit>

¹¹² Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*; London: Crisis http://www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2012_WEB.pdf

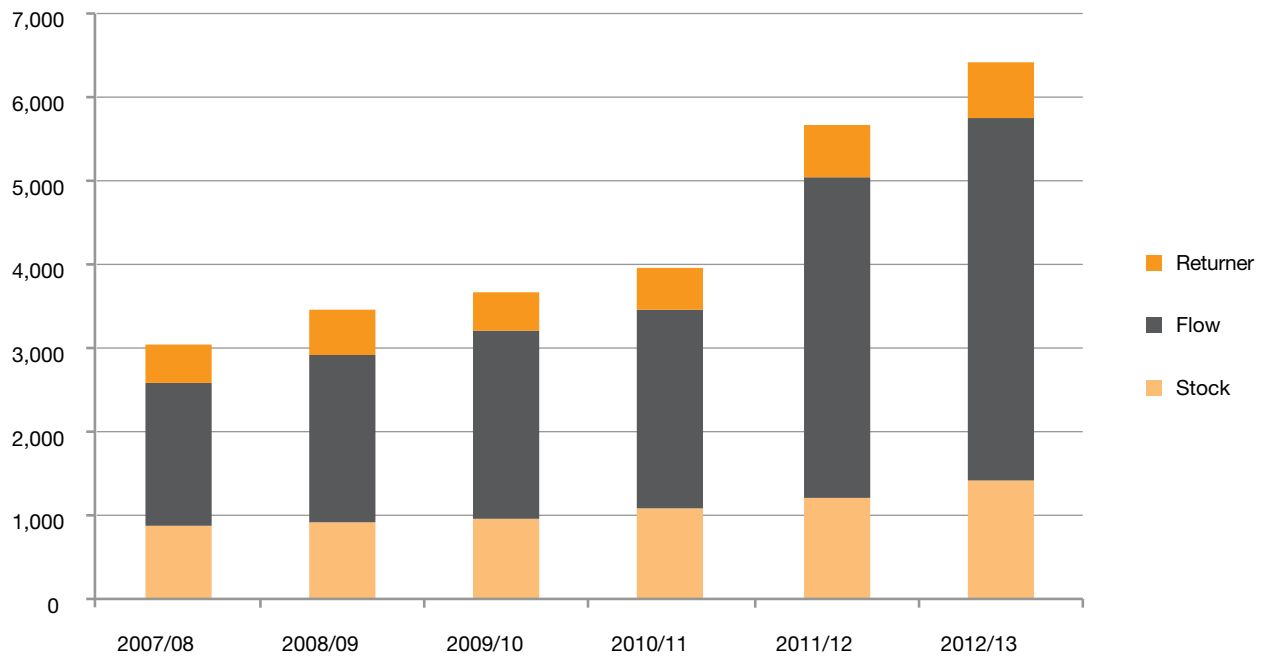
¹¹³ Because this method enumerates people who have slept rough during a given period the resulting figures cannot be directly compared with the snapshot numbers produced under the DCLG approach as described above.

Figure 4.1 Trends in rough sleeper numbers by region, 2004-2012

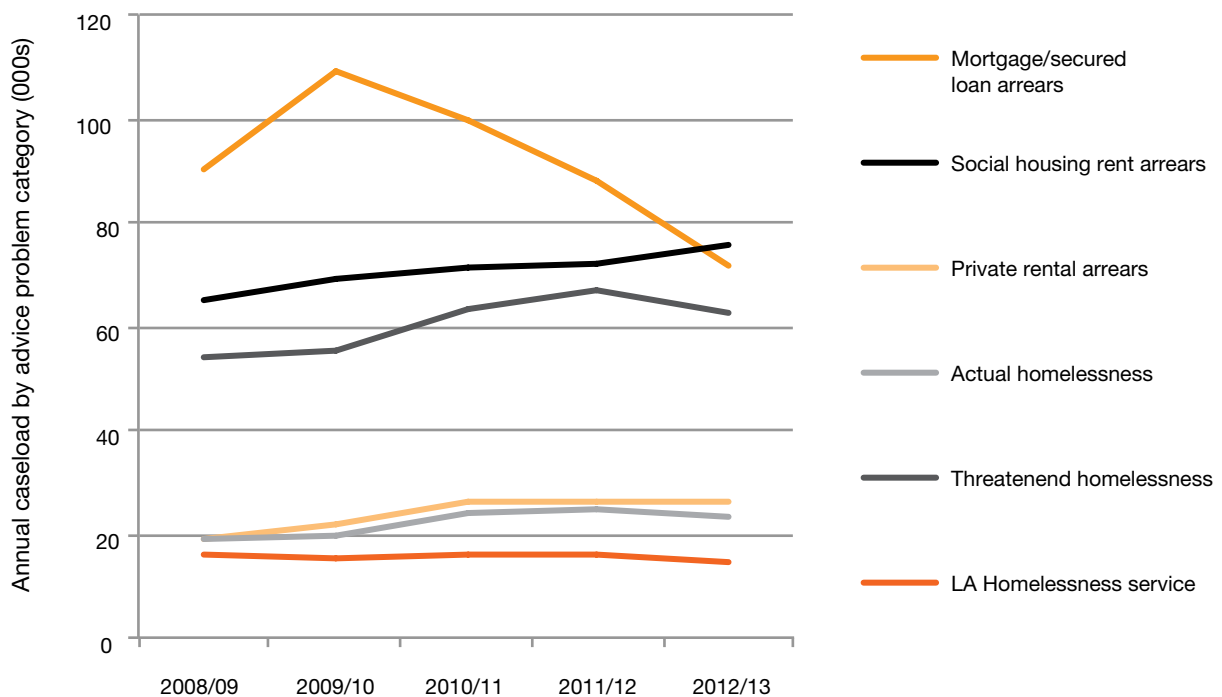
Sources: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns;
Summer 2010 onwards – DCLG.

Figure 4.2 Rough sleeping in London 2007/08-2012/13: breakdown by nationality

Source: Broadway 'Street to Home' monitoring reports (<http://www.broadwaylondon.org/CHAIN/Reports/StreettoHomeReports.html>) supplemented by unpublished data provided by Broadway

Figure 4.3 Rough sleeping in London 2007/08-2012/13: breakdown by stock/flow/returner

Source: Broadway 'Street to Home' monitoring reports <http://www.broadwaylondon.org/CHAIN/Reports/StreettoHomeReports.html>

Figure 4.4 Citizens Advice housing/homelessness-related caseload statistics, 2008/09-2012/13

Source: Citizens Advice caseload data

still up by 56% on the figure just two years earlier. The relative representation of UK, CEE and other overseas nationals within London's rough sleeping population now appears fairly stable, at approximately one half, one quarter and one quarter respectively.

Although most of London's rough sleepers are part of an annual 'flow' of newly enumerated homeless, more than 2,000 were classed under the CHAIN system in 2012/13 as 'stock' or 'returner' cases – people also logged as rough sleepers in 2011/12 or a previous year.¹¹⁴ As shown in Figure 4.3, these 'hard core' homeless cohorts have been growing steadily in recent years. Accounting for just under a third of all logged rough sleepers in 2012/13, the combined total of 'stock' and 'returner' cases was up 12% on 2011/12.

4.3 Single homelessness

Data on the incidence of wider single homelessness are hard to source. 'Non-priority' cases logged by local authorities provide one possible benchmark. Nationally, across England, annual 'non-priority homeless' decisions have been running at around 20,000 in recent years with no clear sign of any upward (or downward trend) – see Figure 4.5 in the next section. Another possible indicator of single homelessness pressures is advice service caseload statistics. As shown in Figure 4.4, the national Citizens Advice housing/homelessness caseload has shown only very modest upward trends in some categories of housing-related cases in recent years. However, such figures are inevitably constrained severely by service capacity, and statistics for the past two years will have been depressed by the funding cuts which

forced Citizens Advice service reductions as from the start of 2011/12.

4.4 Statutory homelessness

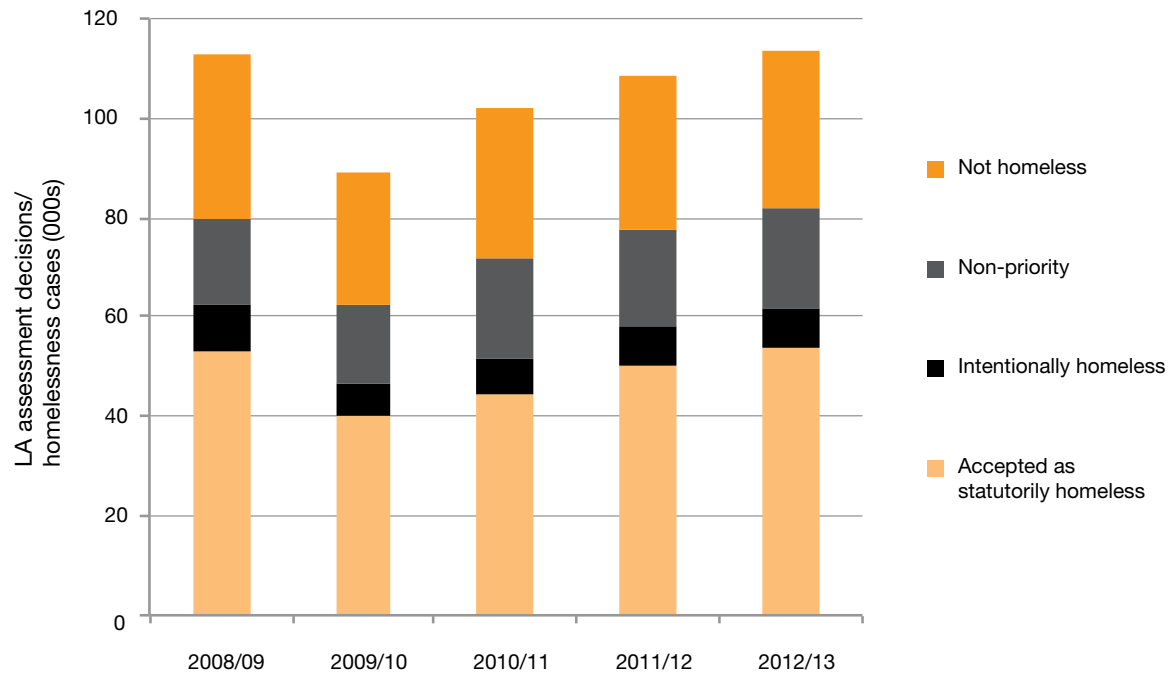
The term 'statutory homelessness' refers to LA assessments of applicants seeking help with housing due to being currently or imminently without accommodation. A marked reduction in statutory homeless numbers in the period 2002-2009 resulted from the progressive rollout of pro-active local authority prevention strategies.¹¹⁵ Although such approaches remain in force, the past three years have seen statutory homelessness (households judged unintentionally homeless and in priority need) rising by 34% at the national level. As shown in Figure 5.5, the 6% annual increase in 2012/13 represents a continuation of a steady upward trend, albeit at a lower rate than in the previous year (14%). Similarly, at a national level the latest quarterly statistics – for quarter one 2013/14 – confirm the continuation of more slowly rising statutory homelessness, with a 5% annual rise in both acceptances and total decisions.¹¹⁶

Given the ramping up of HB reforms with the potential to compound financial stress for low income families (see Chapter 3) the slowed rate of increase in statutory homelessness in 2012/13 might be seen as unexpected. One possible contributory factor here, noted by several of our respondents in different LA areas, is the introduction of the new legal provisions allowing councils to discharge full homelessness duty through a private tenancy placement. Whether or not such provisions are utilised on any significant scale, their existence could potentially act as a disincentive to an applicant's pursuit of a formal homelessness application (see Chapter 3).

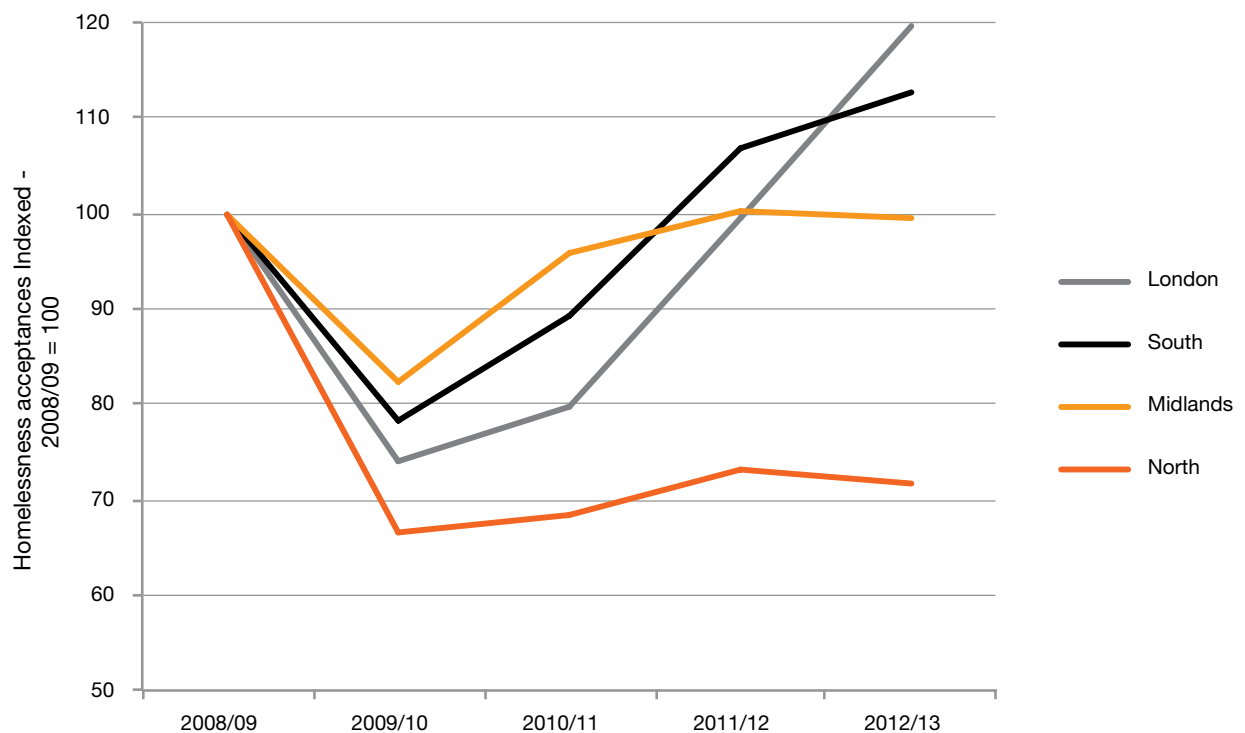
¹¹⁴ Stock: rough sleepers enumerated in 2012/13 already logged as such in 2011/12; Flow: rough sleepers enumerated in 2012/13 but never previously seen sleeping rough; Returner: rough sleepers enumerated in 2012/13 and also logged as rough sleepers at least 12 months earlier, but not previously in 2012/13.

¹¹⁵ Pawson, H. (2009) Homelessness policy in England; Promoting gatekeeping or effective prevention? in Fitzpatrick, S. (ed) *Homelessness Problems, Policies and Solutions*. Coventry: CIH.

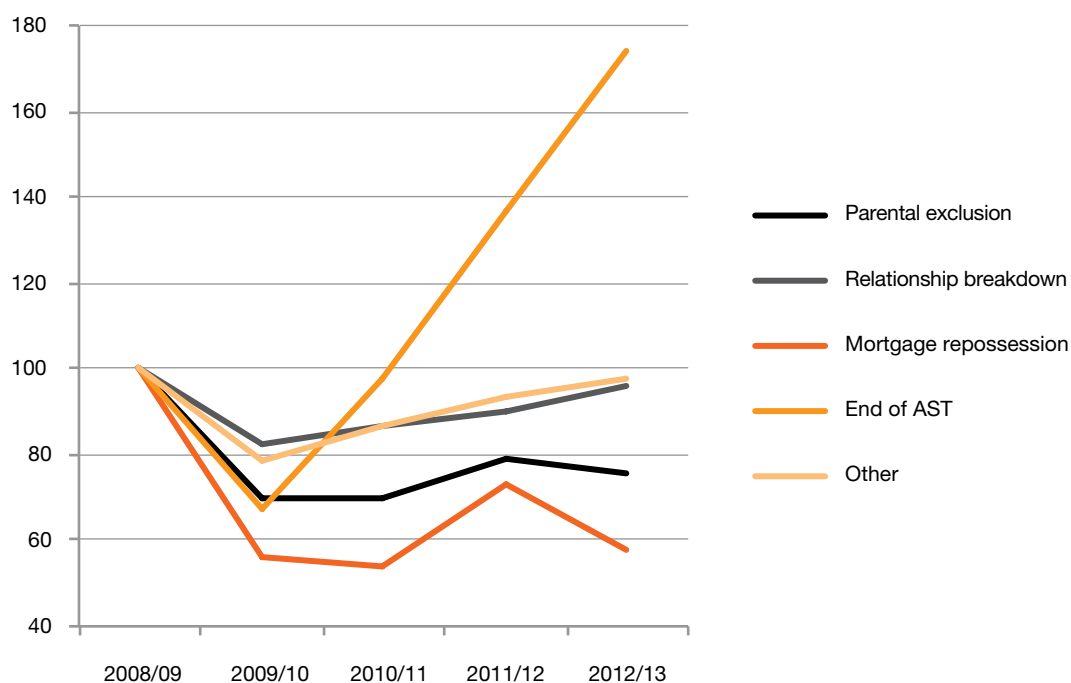
¹¹⁶ DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

Figure 4.5 Statutory homelessness assessment decisions, 2008/09-2012/13

Source: DCLG – June 2013 statutory homelessness statistics

Figure 4.6 Homelessness acceptances, 2008/09-2012/13: trends at broad region level – indexed

Source: DCLG – June 2013 statutory homelessness statistics (includes analysis of unpublished data)

Figure 4.7 Change in number of households made homeless due to specific immediate causes, 2008/09-2012/13 – indexed

Source: DCLG – June 2013 statutory homelessness statistics

In any event, as shown in Figure 4.6, national homelessness acceptances statistics mask highly contrasting trends at the regional level. While numbers have risen only 8% in the North over the past three years, the comparable figures for the South of England and for London are 44% and 61%, respectively. Indeed, in 2012/13 acceptances actually fell slightly in both the Midlands and the North (see Figure 4.6). The latest figures for quarter one 2013/14 suggest this regionally divergent pattern may even be intensifying, with a 26% year on year increase in acceptances in London masking a 2% *reduction* elsewhere in England.¹¹⁷ This pattern suggests housing system factors are playing an important underlying role, with

homelessness stress increasingly acute in the more pressured markets in and around the capital, while remaining at more stable levels elsewhere. However, disproportionate impacts of welfare reform changes in London will also be implicated.

Homelessness causes

At 53,000, annual homelessness acceptances had risen by some 13,000 across England in the three years to 2012/13. More than half of this increase resulted from the sharply rising numbers made homeless from the private rented sector, with losses of ASTs up by over 7,000 – or 158% over the period – see Figure 4.7. As a proportion of all statutory homelessness, such cases

¹¹⁷ DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

had consequentially risen from 11% to 22% since 2009/10. Latest published statistics show that this is a continuing trend, with the proportion of total acceptances resulting from loss of AST rising to 27% of all cases by quarter one 2013/14.¹¹⁸ Exactly what underlies this pattern is difficult to state with certainty, but a probable contributory factor is the increasingly restrictive LHA rules and their coincidence with sharply rising market rents.

While homelessness from the PRS has risen substantially in all regions over the past three years, the scale of this change has varied markedly. Although the North saw a 73% increase in homes lost due to AST terminations in the period 2009/10-2012/13, the comparable figures for the South of England and London were 128% and 316%, respectively. This probably reflects the 'more active' housing markets in these latter regions, and the associated upward pressure on rents. Especially in the capital and its immediate surrounding area, the influence of foreign property purchasers and concentrated population growth may be important underlying drivers. To some extent these figures might also mask a growth in PRS arrears, associated with the combined impact of rising rents and LHA benefit cuts.

There were fears that the trend for landlords to end the ASTs of benefit recipients might accelerate going forward, with landlords said to be *"very fearful of Universal Credit"*, and in particular *"...the fact that the housing costs will get lost in one single payment in Universal Credit, and the fact it's paid monthly"* (LA homelessness officer, urban area, the South, 2013). The capping of LHA at 1% (see Chapter 3) was also thought highly relevant to this trend:

"... we know that rents are put up regularly by private landlords, quite often that's why

they'll end an AST, because somebody has told them that if they got another tenant they could put the rent up to x, y or z. I don't think one per cent is going to cover it..."

(LA homelessness officer, rural area, the South, 2013)

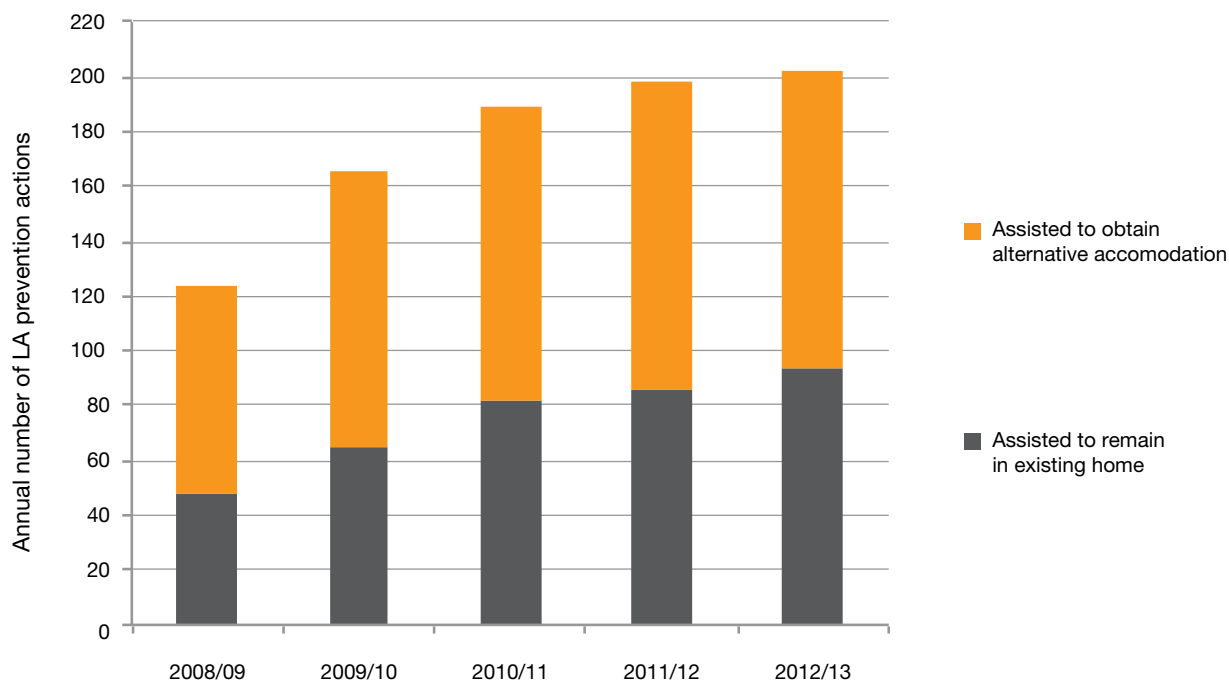
Perhaps surprisingly, homelessness acceptances attributed to mortgage repossessions have remained at relatively low levels (see Figure 4.5) and the same is true of homes lost due to rent arrears. For the reasons explored in Chapter 2, we do not expect mortgage arrears to be a major contributor to statutory homelessness, even if repossession rates climb considerably. But quite a different story with regard to social sector rent arrears might start to emerge as the bedroom limits starts to take full effect, and certainly several of our key informants were anxiously awaiting news of whether those evicted as a result of bedroom limits will be deemed intentionally homeless.

Homeless households in temporary accommodation

Since bottoming out in 2010/11, homeless placements in temporary accommodation (TA) have been on the increase, with the overall national total rising by 10% in 2012/13. Use of B&B hotels has been rising more quickly, with a 14% increase in 2012/13 and numbers up by 64% on 2010/11. Moreover, B&B placements involving children were up by 19% during 2012/13 – having almost doubled over two years. Households living in TA are heavily concentrated in London.

There is also increasing concern over 'out of district' TA placements which have doubled since 2010: of the 56,210 households in TA on 30 June 2013, 11,160 were in another LA district, an increase of 38% from the same

118 DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

Figure 4.8 Local authority homelessness prevention and relief activity, 2008/09-2012/13

Source: DCLG Homelessness Prevention and Relief statistics, August 2013

date last year.¹¹⁹ Most of these cases arise in London, and London Councils say that they relate mainly to moves within London, though there is no published data to confirm this.¹²⁰ A recent report in *Inside Housing* indicates that the numbers of homeless households in London accommodated outside of the capital has doubled over the past year, though it remains a relatively small percentage of the overall numbers placed in TA by London Boroughs.¹²¹

Local authority homelessness prevention

The Coalition Government remains committed to the 'prevention-centred' approach to homelessness initiated under the previous government from 2002 and credited with reducing statutory homelessness acceptances

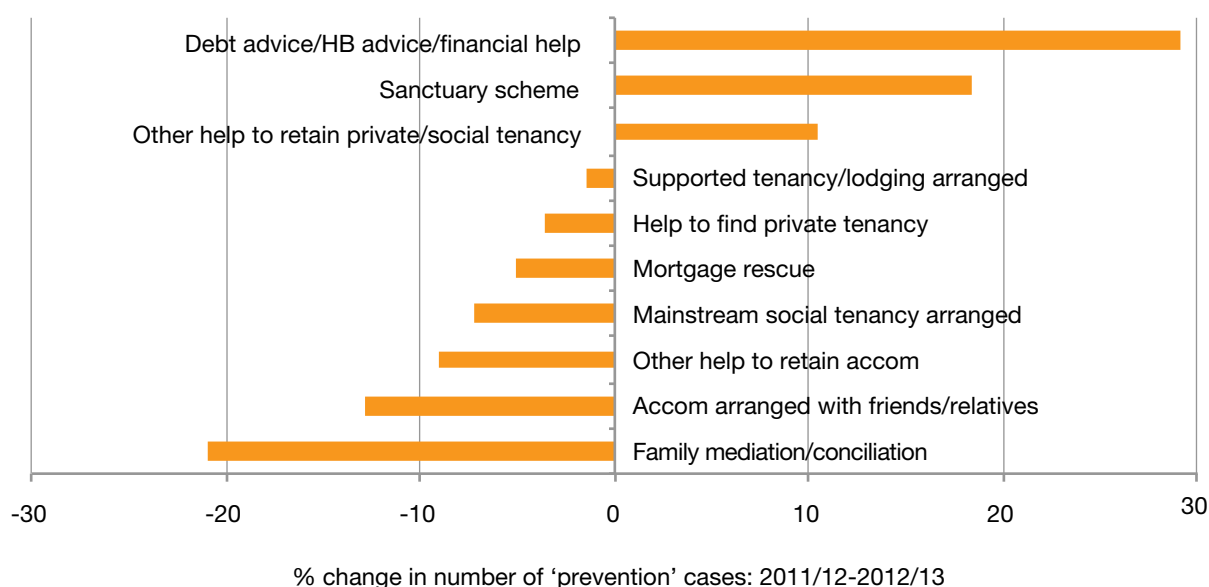
by 70% in the six years to 2009/10. The volume of prevention actions continued to expand in 2012/13, albeit at a much slower rate than in previous years. Moreover, as shown in Figure 5.8, the nature of 'prevention' work has been shifting towards helping service users retain existing accommodation rather than obtain new housing. Indeed, while the overall number of 'prevention actions' increased by 2% in 2012/13, this masked a 4% reduction in applicants helped to find a new tenancy or other housing.

The trend described above probably reflects both the state of the housing market and the HB reforms which – by restricting entitlements – will have made it more difficult to secure private tenancies for certain

¹¹⁹ DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236899/PROTECT_-_Statutory_Homelessness_2nd_Quarter_Apr_-_Jun_2013_England.pdf

¹²⁰ National Practitioner Support Service (2013) *Peer-led Prevention Partnership, Presentation to the Sounding Board Meetings, September 2013*. Winchester: Winchester City Council, DCLG and National Practitioner Support Service.

¹²¹ Duxbury, N. (2013) 'Londoners housed outside capital doubles', *Inside Housing*, 1st November: <http://www.insidehousing.co.uk/tenancies/londoners-housed-outside-capital-doubles/6529299.article>

Figure 4.9 Changing incidence of local authority homelessness prevention activities, 2011/12-2012/13

Source: Derived from DCLG Homelessness Prevention and Relief statistics, August 2013. Note: Activity type categories grouped by authors; minor categories excluded

categories of applicant.

Significant shifts in the nature of homelessness prevention activity are more graphically illustrated in Figure 4.9. Particularly notable here are the increased activity volumes associated with 'debt advice/HB advice/financial help' (up by 29%) and 'other help to retain private/social tenancy' (up by 10%). Accounting for nearly a third of all prevention cases in 2012/13, these are among the largest activity categories. Extending an existing trend, homelessness prevented through sanctuary schemes also increased substantially in 2012/13, although such cases accounted for a relatively limited proportion of all preventions (4%). Notable at the other end of the 'change over time spectrum' are preventions achieved through 'accommodation arranged with friends/relatives' (down 13%) and 'family mediation/conciliation' (down 21%).

4.5 Hidden homelessness

People may be in a similar housing situation to those who apply to LAs as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a LA or applying to other homelessness agencies. Such people are often referred to as 'hidden homeless' (see Chapter 1). A number of large-scale/household surveys enable us to measure some particular categories of potential hidden homelessness: *concealed households*; households who are *sharing* accommodation; and *overcrowded* households. In addition, in this 2013 Monitor we are for the first time able to provide an analysis of the social distribution of *past experiences of homelessness* (both 'visible' and 'hidden'), based on the Poverty and Social Exclusion (PSE) Survey 2013.

Concealed households

Concealed households are family units or

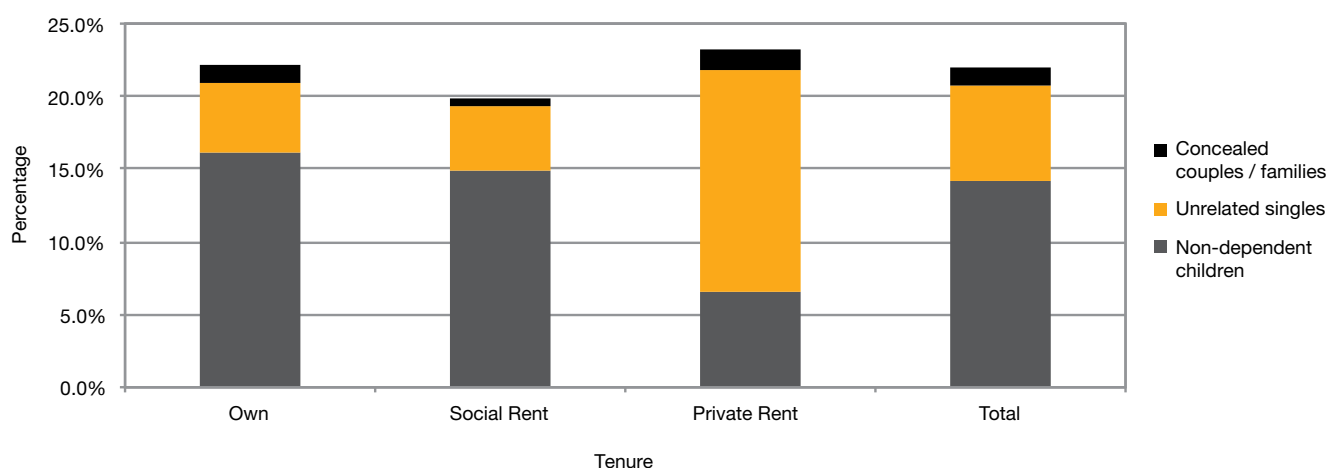
single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. The English Housing Survey (EHS) and the Labour Force Survey (LFS)¹²² ask questions about the composition of the household which enable the presence of 'additional family/single units' to be identified.¹²³

In 2012 there were about 4.6 million households (20.9% of all households) which contained additional family units based on the LFS. Of these, 245,000 (1.1%) were cases of couples or lone parent families living with other households, while 1.45 million (6.6%) were cases of unrelated one person units (i.e. excluding never married children of main householder) and 3.1 million (14.2%) were cases of non-dependent adult children living in the parental household, as shown in Figure 4.10.

Unrelated single units were much more prevalent in private renting (including students and young people living in flatshares), while the proportions with non-dependent children were higher in social renting and in owner occupation. Households with non-dependent children are fairly evenly distributed across regions, but unrelated singles and concealed couples/families are much more prevalent in London.

EHS data show that additional family/unrelated singles units were most prevalent in larger urban areas. They were also clearly more prevalent in more deprived neighbourhoods, with 8.2% of households in the most deprived fifth of small areas compared with 4.2% in the least deprived containing such units. There is a similar association with individual household poverty: households with less than 60%

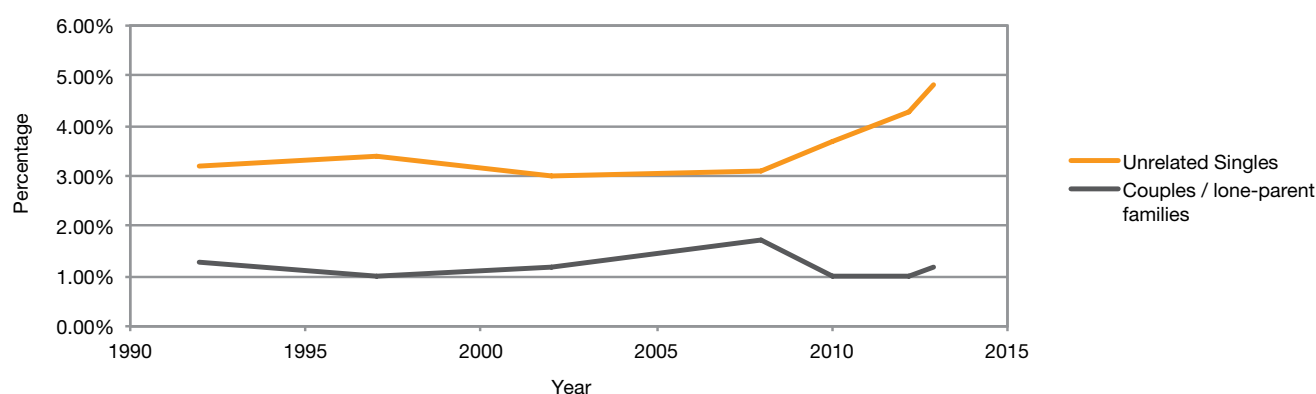
Figure 4.10 Households containing potential concealed households by tenure, England 2012



Source: Labour Force Survey, Quarter 4 2012

¹²² The main advantage of the EHS is that it is a housing-oriented survey which asks other related questions, in some cases only in particular years. Its disadvantages include having a smaller sample and rather less complete information about the adults who are not the core household members. The LFS is up-to-date and has a large sample and good questions about household structures, but less detail about housing including little in the way of attitudinal information.

¹²³ These surveys only approximate to the ideal definition of 'concealed households', as they do not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. Moreover, they may not fully capture all concealed households reliably. For example people staying temporarily and informally with others may not be recorded in household surveys (like EHS) nor respond to individual surveys (like LFS).

Figure 4.11 Potential concealed unrelated singles over 25 and families, England 1992-2012

Source: Labour Force Survey

of median income (adjusted for household composition, and after housing costs) had a prevalence of 8.2% versus 5.8% for all other households. Whereas only 5.7% of White households had additional unrelated single or family units, this rose to 7.3% for Black households and 18.0% for Asian households, and 12.3% for other ethnic households.

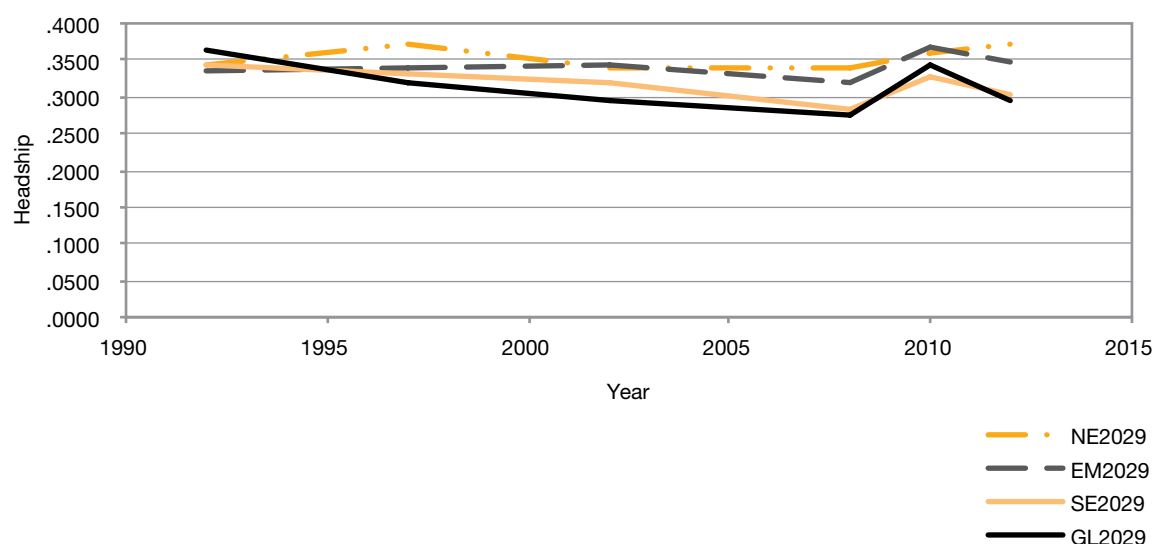
The EHS asks a question, where such individuals (related or unrelated) are present in a household, as to why this person is living there. Overall, answers implying a preference or intention to move, albeit constrained, or some uncertainty, account for 44-53% of cases (this proportion has increased over time since this question was included from 2008 onwards).¹²⁴ Overall, this evidence suggests that there were 2.31 million households containing concealed single persons in England in late 2012, in addition to 245,000 concealed couples and lone parents. These numbers represent a significant increase on the estimates presented in the

2012 Monitor, though one possible factor may be technical (a progressive redefinition of sharing households into this concealed category, as discussed further below).

The LFS allows trends in concealed households to be tracked back to 1992, as shown in Figure 4.11. The indicators selected are households containing 'unrelated singles' over 25 and couple/lone parent family units for selected years between 1992 and 2012. It appears that concealed households were static or declining during the 1990s and into the early 2000s. There were strong indications of increases after 2008 for unrelated singles, and some spiking for couples/lone parents in 2008 and again at end 2012.

Another indirect indicator of concealed households is (reduced) household formation. The propensity of individuals within given age groups to form ('head') separate households is a conventional way of measuring household formation. Figure 4.12 illustrates

¹²⁴ Note that the proportions wishing to move/expressing uncertainty are, perhaps counter to expectations, actually slightly higher for non-dependent children than for unrelated singles, and only slightly lower for under-25s than for over-25s.

Figure 4.12 Headship rates for 20-29 year olds, selected English regions 1992-2012

Source: Labour Force Survey

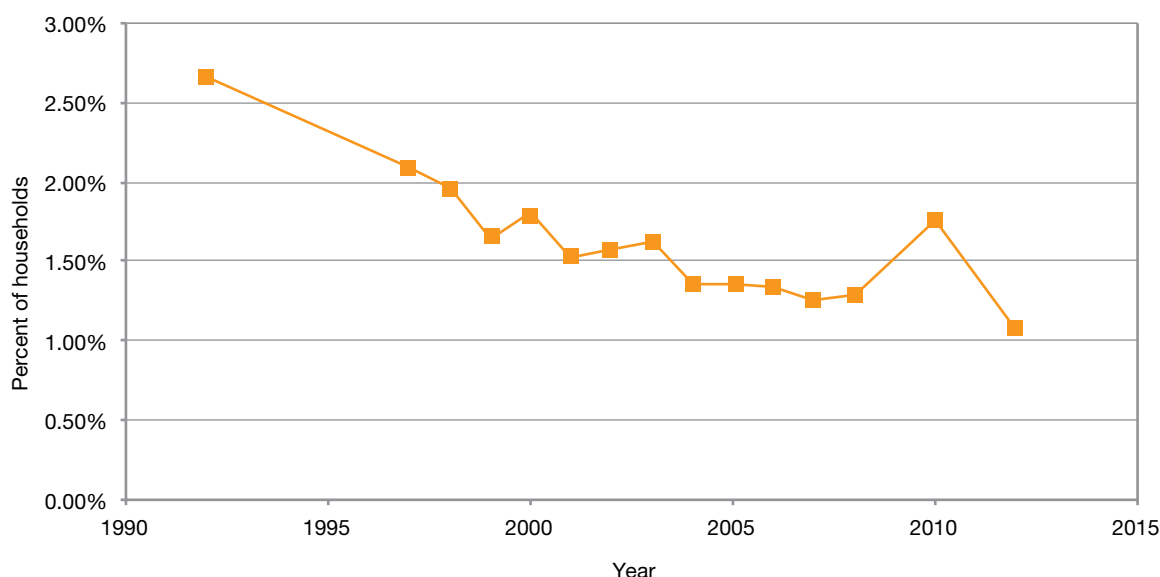
rates for younger adults for selected regions facing very different economic and housing market conditions. For the North East and East Midlands, the proportion of 20-29 year olds heading households fluctuated somewhat around 35%, but ended at a higher level in 2012 than in 1992. In the South East and London, rates fell from 1992 to 2008, then blipped upwards in 2010 before falling back in 2012, to end significantly lower at the end of the period. We would expect to see such differences, reflecting different levels of housing market pressure. The upward blip in 2010 may reflect the availability of private rental lettings. Data from the EHS is broadly consistent. Comparing 2010/11 with 2008/09, headship fell for younger age groups (under 44) while rising for the middle-aged. This is consistent with a picture of a tight housing market and also of worsening real income/living standards among younger working age people in this period.¹²⁵

Households sharing accommodation

'Sharing households' are those households who live together in the same dwelling but who do not share either a living room or regular meals together. Sharing is similar to concealed households, namely an arrangement people make when there is not enough affordable separate accommodation. For example, some 'flatsharers' will be recorded as concealed households, and some will be recorded as sharing households, depending on the room sizes and descriptions.

According to the LFS, 1.2% of households in England shared in 2012 (based on average of first and last quarter). Sharing was most common for single person households (3.0%) but was also found amongst couples (1.6%), and couples with children and lone parent households (1.0%). Sharing is particularly concentrated in private renting (3.3%) but is not unknown in the social rented sector (1.1%) and even in the owner occupier sector

¹²⁵ Fitzpatrick, S., et al. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. <http://www.crisis.org.uk/data/files/publications/The-HomelessnessMonitor.pdf>; see also Gordon, D., et al. & the PSE team from the University of Bristol, Heriot-Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen's University Belfast, University of Glasgow & University of York (2013) *The Impoverishment of the UK - PSE First Results. Living Standards*. http://www.poverty.ac.uk/system/files/attachments/The_Impoverishment_of_the_UK_PSE_UK_first_results_summary_report_March_28.pdf

Figure 4.13 Sharing households in England 1992-2012 (percent)

Source: Labour Force Survey

(0.5%). It is much more prevalent in London (4.1%), as one would expect, and the next highest regions are the South West and South East (1.1%). Sharing is particularly rare in the North East, West Midlands and East of England (0.2%).

Sharing has seen a long-term decline, which may reflect improving housing availability, but also probably changes in the PRS and its regulation. The trajectory of sharing over time is shown in Figure 4.13 below. This showed a pronounced decline in the 1990s and a slight further decline in the early/mid 2000s, followed by an apparent increase from 2007 to 2010. This increase appears to evidence the impact of constrained access to housing following the 2007 credit crunch and the subsequent recession. However, there was a modest decline between 2010 and 2012, perhaps reflecting the expansion of private renting. LFS figures from the last quarter of 2012, as well as from EHS data up to 2011,

show a sharp further decline.

One reason to expect some future increase in sharing is the extension of the SAR to 25-34 year olds (see Chapter 3). But given the acute demand pressures on a limited supply of shared accommodation in many areas,¹²⁶ it appears that some of the additional people affected by the SAR may be ‘disappearing’ and becoming concealed households rather than sharing households. That said, some of the increase in concealed households may be actually a mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

Overcrowding

Figure 4.14 summarises trends in overcrowding by tenure in England between 1995 and 2011 (DCLG prefer to present this indicator based on a 3 year rolling average), based on the ‘bedroom standard’.¹²⁷

¹²⁶ Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis. <http://www.york.ac.uk/media/chp/documents/2011/unfairshares.pdf>

¹²⁷ This is the most widely used official standard for overcrowding. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

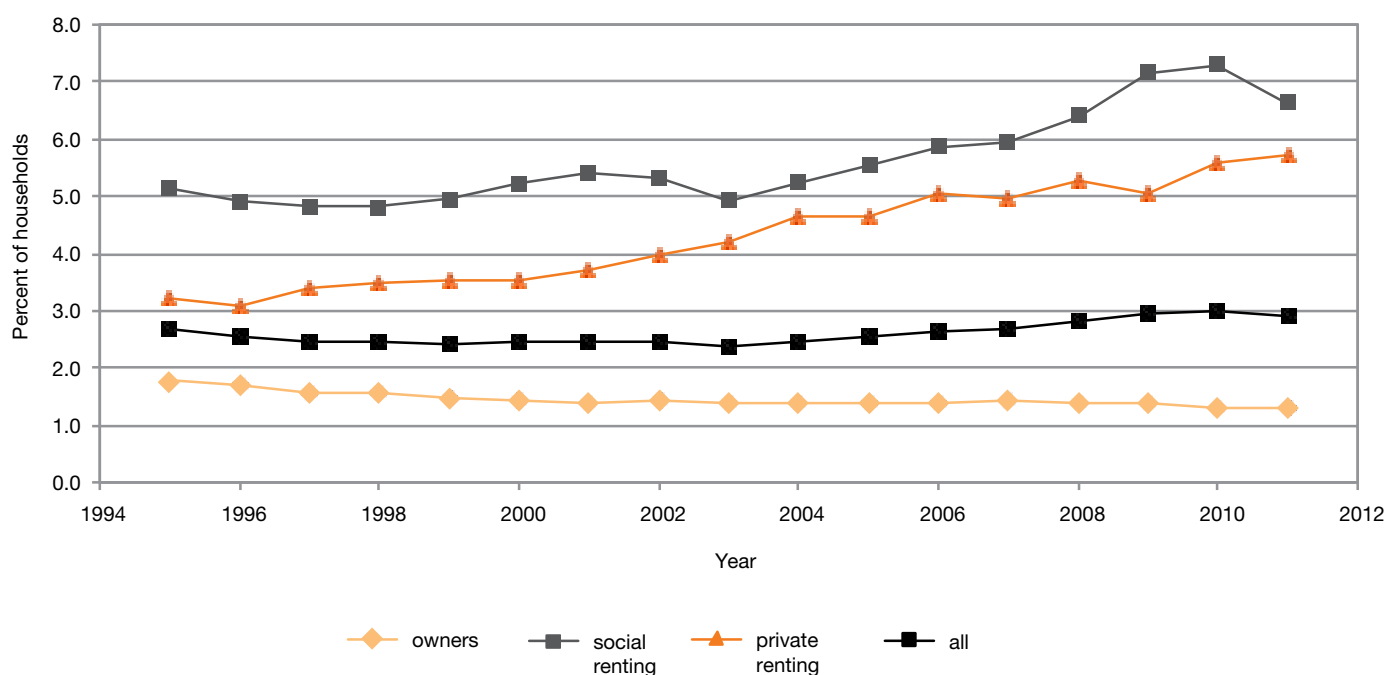
Overcrowding actually increased to quite a pronounced extent from 2003 to 2010, from 2.4% to 3.0% of all households, reversing previous declining trends, although there was a slight decline in 2011. On the most recent figures 640,000 households (2.9%) were overcrowded in England. Overcrowding is less common in owner occupation (1.3%) and much more common in social renting (6.6%) and private renting (5.7%). The upward trend in overcrowding is also primarily associated with the two rental tenures.

As with the other housing pressure indicators considered here, there is a much higher incidence in London (across all tenures), with a rate of 8.1% in 2010/11. The next worst region for overcrowding is the West Midlands (2.8%), followed by the South East (2.2%). Recent trends in overcrowding are downward in the northern and midland regions but still upwards in the South West, South East and (marginally) London.

Alternative measures of overcrowding are now available from the 2011 Census, based on an 'occupancy rating', which compares the number of rooms or bedrooms with the number required based on a formula taking account of age and relationship of household members. The bedroom-based version is similar but not identical to the measures described above based on household surveys. The Census may be expected to give a truer measure because it is compulsory and comprehensive in coverage.

Census-based rates for 2011 are higher in all regions than in the survey-based measure, generally between 3% and 4% for regions outside London, rising to 11.6% for London as a whole and 14.0% in Inner London. Furthermore, local authority level results pinpoint particular hotspots for overcrowding, notably 25% in Newham, 18% in Brent, 17% in Tower Hamlets, and 16% in Haringey, Hackney,

Figure 4.14 Overcrowding by tenure in England 1992-2012 (percent)



Source: Survey of English Housing/English Housing Survey

Waltham Forest and Southwark. Hotspots outside London include Slough, Luton and Leicester (10-12%). These peaks of overcrowding are associated with areas with large ethnic minority and recent migrant populations.

Figure 4.15 shows a summary picture of the broader Census occupancy rating measure based on rooms, comparing 2001 and 2011 by broad region. This Figure indicates a higher overall level of crowding than the survey data reported above, averaging 8.7% of households across England, a total of 1.9 million households, but this is based on total rooms allowing all households at least two common rooms. This measure shows 23% overall growth over the decade (compared with 19% in DCLG EHS-based measure), with strong increases in the South (26%) and especially in Outer London (35%), with rather lower increase rates in the North (12%). The highest increases in Outer London Boroughs were in Barking & Dagenham (63%), Redbridge (47%), Waltham Forest (45%), Hillingdon and Croydon (43%).

Under-occupancy is considered here because it is, in a sense, the mirror image of overcrowding. Moreover, given the introduction of the bedroom limits for claimants of working age living in social housing from April 2013 (see Chapter 3), under-occupation in the social sector is an issue of growing policy relevance, not least with respect to future homelessness trends. It is possible to make an approximate estimate of the incidence of under-occupation in England using the EHS. This indicates that 36% of all working age social renters in England under-occupy their homes, including 29% of social renters who under-occupy by one bedroom, and 7% who under-occupy by two or more bedrooms. These figures are lower than for either of the other private tenures, particularly owner occupation, and

also lower than those for retirement age households. For example, 67% of retired home-owners have two or more spare bedrooms.

Within social renting, the proportions of under-occupiers are similar for households receiving HB (34%) and all working age tenants (36%). This implies that approximately 556,000 social renters in England will be liable to a reduction in their HB (with 116,000 social tenants facing a 25% reduction) (see Chapter 3 for the first set of administrative out turn figures). The proportion of working age social renters on HB who are under-occupying appears to have fallen slightly between 2008/09 and 2010/11.

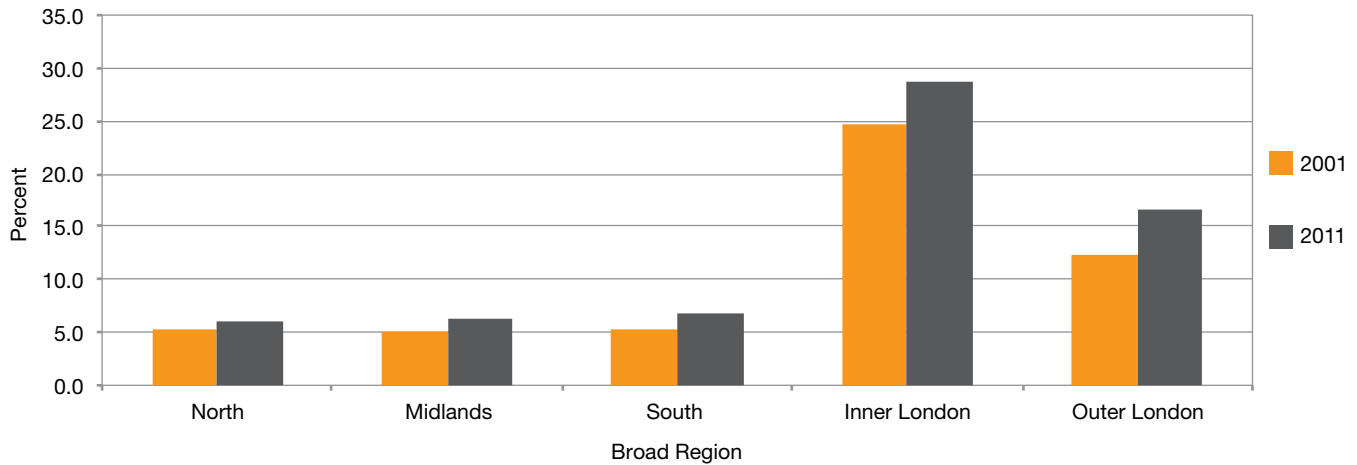
Past Homelessness Experience

It is possible to measure the overall incidence of homelessness in the population, and its social distribution, by asking retrospective questions in general household surveys about adults' experiences of homelessness. The UK Poverty and Social Exclusion Survey 2012 (PSE) provides such an opportunity for all of the UK.¹²⁸

The first indicator captures those adults who said that they had *ever experienced homelessness* (whether you had been homeless or lost your home); the second indicator highlights those who said that they had *experienced homelessness in the last five years*; while the third indicator includes just *those sleeping rough or in temporary accommodation in the last five years*. Figure 4.16 shows these measures across countries of the UK.

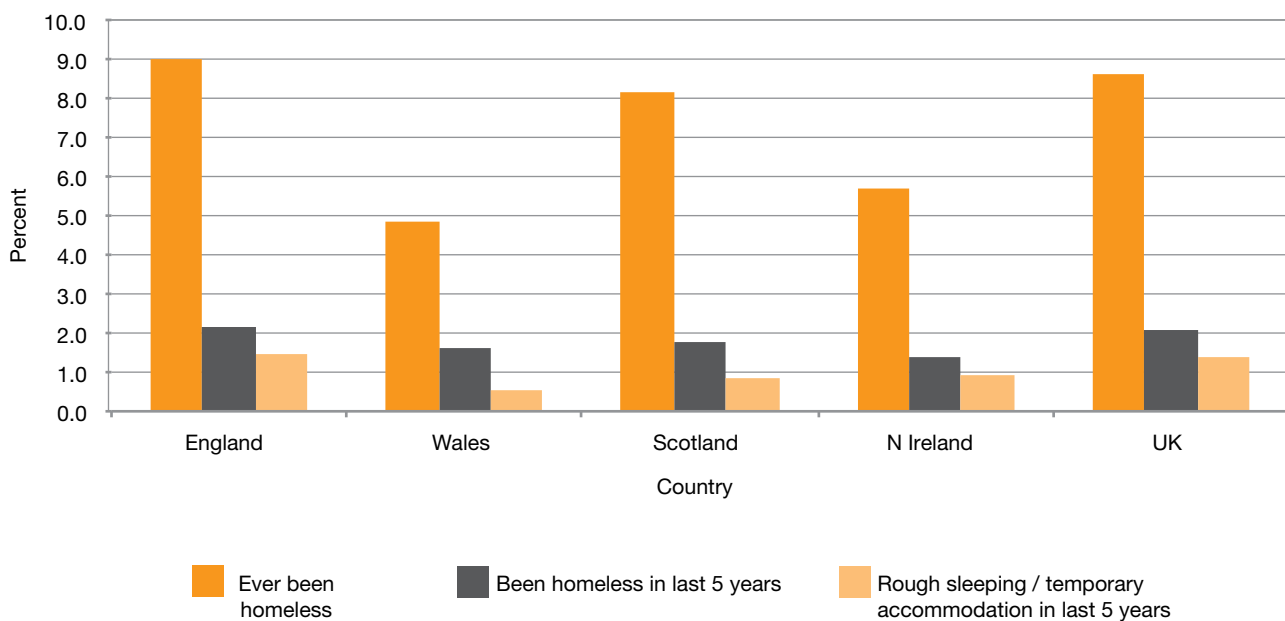
Across England, nearly one in ten (9.0%) adults say that they had experienced homeless defined as above at some time, with 2.2% saying this had happened in the last five years, and 1.5% sleeping rough or

Figure 4.15 Census crowding measure by broad region, 2001-11 (occupancy rating 1+ room short)

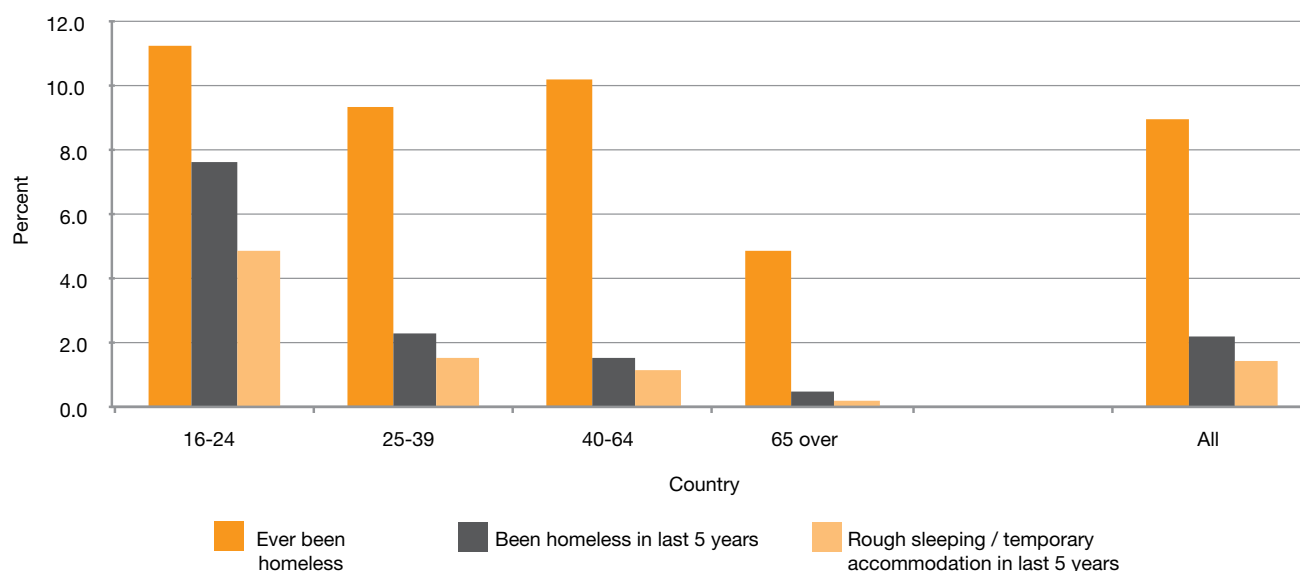


Source: Censuses 2001 and 2011

Figure 4.16 Past homelessness incidence and implied annual rates for UK countries



Source: UK PSE 2012.

Figure 4.17 Profile of past homeless incidence by current age of individuals in England

Source: UK PSE 2012

staying in temporary accommodation in that period. Rates in England are higher than in the other UK countries. The implied annual rate of homelessness in England is 0.43%, or 184,900 individual instances per year.¹²⁹

Figure 4.17 provides a profile of retrospective homelessness in terms of age. Homelessness incidence is greater for younger adults, especially recent experiences which are reported by nearly 7.6% of 16-24 year olds.¹³⁰ The pattern in terms of 'ever experienced' suggests that the risk of homelessness has been rising over time.

Apart from young age, there are strong associations of homelessness with: Mixed and Black ethnicity (but Asian ethnicity is associated with a low incidence); for renters (social and private); single persons and lone parent households; current experience of material deprivation and living in a deprived neighbourhood; and people in more urban areas.

¹²⁹ This has been calculated straightforwardly by multiplying the proportion who report having been homeless over the past 5 years (PSE) x adult population (Census) / 5. This assumes even temporal spacing of homelessness, and only one episode per person. Note that comparison with the statutory homelessness numbers given above (averaging 70,000 found homeless per annum) together with Supporting People data (106,000 new homeless cases per annum) suggests that these survey-based estimates of homelessness prevalence are broadly in line with administrative-based estimates.

¹³⁰ Because of relatively small sample numbers aged under 25 we cannot say confidently that the proportion 'ever homeless' is greater for the under 25s, but the proportion homeless in the last five years is significantly higher for the under 25s.

4.6 Key points

- Across England 9% of adults say that they have experienced homelessness at some time, with 2.2% (but 7.6% of under-25s) saying this happened in the last five years. These new data imply that around 185,000 adults experience homelessness each year in England, and that the incidence has been increasing over time.
- An upward trend remained evident in the national rough sleeping figures in 2012, but with a slowed rate of increase – an annual rise of 6% as compared with 23% in 2011. In London too, recorded rough sleeping continued to rise over the past year, but more slowly than previously. There are growing numbers of both UK and overseas nationals sleeping rough in London.
- After falling sharply for six years, the number of statutory homelessness acceptances rose substantially (by 34%) over the past three years, but the annual increase in 2012/13 (at 6%) is lower than the previous year (14%). There is marked regional divergence, with increases in statutory homelessness strongly concentrated in London and the South.
- There are sharply rising numbers being made homeless by the loss of ASTs, accounting for 22% of all homelessness acceptances at national level in 2012/13. This is the single largest cause of statutory homelessness in London.
- Temporary accommodation placements rose 10% during 2012/13, with B&B placements rising even faster (14%).
- The volume of prevention activities continued to expand in 2012/13 but at a much slower rate than previously, and the nature of prevention work shifted towards helping service users retain existing accommodation rather than obtain new housing.
- We estimate that there were 2.31 million households containing concealed single persons seeking their own housing in England in late 2012, in addition to 245,000 concealed couples and lone parents, equivalent overall to 11.6% of all households in England. Concealed households have increased during the 2000s, after previous falls, particularly in London and the South.
- There has been a clear slowing down in new household formation, mainly because of the drastic decline in the number of new households entering owner occupation, but also because of the fall in numbers of social lettings. The resurgent PRS has, to some extent, offset the fall in supply from the other tenures, particularly after 2010.
- The number of sharing households appears to be in long-term decline, although there was a rise in the period 2007-2010. However, the most recent data suggest a further fall in sharing, which may reflect changes in the way interview surveys classify groups of people into households.
- Overcrowding has increased markedly since 2003, from 2.4% to 2.9% of all households, reversing previous declining trends. On the most recent survey figures 640,000 households (2.9%) were overcrowded in England. Overcrowding is much more common in the rental sectors than in owner occupation.
- Census-based measures of overcrowding suggest a higher rate of 4.8% across England (a total of 1.06 million households), rising to 11.6% in London, and rates of 16-25% in certain London boroughs. Census overcrowding increased by 23% between 2001 and 2011, with a rise of 35% in Outer London.

- Over one third (36%) of all working age social renters in England under-occupy their homes, including 29% of social renters who under-occupy by one bedroom, and 7% who under-occupy by two or more bedrooms. This implies that approximately 556,000 social renters in England will be liable to a reduction in their HB post April 2013.

5. Conclusions and future monitoring

This year's update report indicates that homelessness in England continues on a rising trajectory, albeit at a somewhat slower rate than in the previous two years. The sustained growth in rough sleeping numbers in both England as a whole and in London specifically confirms the underlying upward trend in this most extreme form of homelessness, which some commentators think may be attributable to weakened support for the most vulnerable homeless people, making it more difficult for them to sustain accommodation.

As regards statutory homelessness, again the growth dynamic reported in previous Monitors is sustained, but at a reduced pace. However, these national homelessness acceptances statistics mask highly contrasting trends at a regional level: while numbers have risen only 8% in the North over the past three years, the comparable figures for the South of England and for London are 44% and 61%, respectively. Rising use of both temporary accommodation and out of district placements remain overwhelmingly concentrated in London.

The regional disparities 'story' that strengthens with each year of the Monitors is also reflected in the causes of statutory homelessness, with recent substantial increases in loss of accommodation due to Assured Shorthold Tenancy termination apparent in all parts of the country, but much more pronounced in the highly 'active' housing markets of London and the South. Exactly what underlies this pattern is difficult to state with certainty but a probable contributory factor is the increasingly restrictive Local Housing Allowance rules and their coincidence with sharply rising market rents.

This pattern strongly suggests, in line with our causal framework, that housing system factors are playing a critical underlying role,

with homelessness stress increasingly acute in the more pressured markets in and around the capital while remaining at more stable levels elsewhere. The continuing shortfall in the levels of new house building relative to levels of household formation, in a context where there are already substantial numbers of concealed and sharing households, and severe levels of overcrowding in London, is a prime structural contributor to homelessness. Across the country, rising numbers of concealed households, and reductions in the number of sharing households, may reflect growing constraints on younger single people's access to support with housing costs (see below), as well as changes in survey classifications.

Throughout the Monitor series we have argued that welfare benefit cuts, as well as constraints on housing access and supply, are critical to overall levels of homelessness. The disproportionate impacts of welfare reform in London are therefore also likely to be driving sharply contrasting regional trends in homelessness. In particular, the national LHA cap is reducing access to the PRS for low-income households in London and other high value areas, while the overall benefit cap places larger families at significant risk of homelessness, again particularly in London.

The SAR is creating serious problems in accommodating younger single people in the PRS across most of the country, and for single and youth homelessness service providers throughout England, and indeed the rest of the UK, the ratcheting up of the sanctions regime under JSA/ESA, and thereafter Universal Credit, is the major ongoing concern. The localisation of the Social Fund, and growing resort to food banks and other forms of purely 'in-kind' assistance, is indicative of a severe weakening in the support available to individuals and households in the

sort of crisis situations that can lead to homelessness.

Greatest concerns at present focus on the social sector bedroom limits, with rent arrears rising fast as a result, including amongst tenants never previously behind with their rent payments. These impacts are particularly pronounced in the less pressured housing market regions in the North and Midlands. In the longer-term there is enormous trepidation about the national roll out of Universal Credit, and in particular the consequent move towards monthly payments and away from direct payment of rent to landlords.

While welfare reform is usually viewed as the more urgent issue, there are also important homelessness implications of parallel policy developments affecting social housing. The move towards fixed-term 'flexible' tenancies ushered in by the Localism Act 2011 will weaken the sector's safety net function, and there are significant concerns about the interaction between the 'Affordable Rent' regime and benefit restrictions pricing low-income households out of social housing in high cost areas. There is also anxiety that the local restriction of social housing eligibility risks excluding some vulnerable groups from the sector, including in some instances women and children fleeing domestic violence.

There has been much media speculation about 'middle class homelessness', but in reality the expanding risk of homelessness is heavily concentrated, as always, on the poorest and most disadvantaged sections of the community. Our new PSE-based social distribution analysis confirms that past experience of homelessness is heavily concentrated amongst young, poor, renters, who are lone parents or single, particularly those who are Black and living in urban areas of the country. These new data imply that around 185,000 adults experience

homelessness each year in England, and that the incidence has been increasing over time. The skewing of this experience towards younger people makes recent indications that a future Conservative administration would remove entitlement to Housing Benefit, and possibly also to unemployment-related benefits, from under 25s particularly worrying.¹³¹

In 2013 the UK economy finally began to show signs of recovery, but policy factors have a more direct bearing on levels of homelessness than the recession in and of itself. Most key informants interviewed in 2013 therefore expected a new surge in homelessness in the coming period associated with the ramping up of welfare reform, particularly the social sector bedroom limits and the introduction of Universal Credit. At the same time, housing market pressures seem unlikely to ease, particularly in London and the South, and a range of specialist homelessness funding programmes intended to ameliorate the impact of these negative structural trends on particularly vulnerable groups are due to end in 2014. It therefore seems that, as in 2010, we may soon be facing another critical juncture in homelessness trends in England, and indeed the wider UK.

As well as tracking the headline trends in both visible and hidden forms of homelessness until 2015, we will also monitor the profile of those affected, and whether there is any evidence of a change in this as the impacts of the recession and welfare reform are played out over the next couple of years. Likewise, regional patterns will be closely monitored.

The evidence provided by this Homelessness Monitor over the next two years will provide a powerful platform for assessing the impact of economic and policy change on some of the most vulnerable people in England.

¹³¹ BBC News (2013) 'David Cameron suggests cutting benefits for under-25s', *BBC News*, 2nd October: <http://www.bbc.co.uk/news/uk-politics-24369514>

Appendix 1 Topic guide for key informant interviews: Round 3 (2013) voluntary sector

1. Introduction

- Explain nature and purpose of research
- Their job title/role; how long they have been in that position/organisation
- Nature of organisation – nature of service(s) provided; geographical coverage; size and funding streams; homeless groups they work directly with (rough sleepers, single homeless, young homeless, homeless families, statutory homeless, hidden homeless etc.); any recent changes in services (especially whether any services have closed/reduced)

2. Impacts of recession/economic context

- Has there been an impact of the post 2007 recession and housing market downturn on your client group/demand for your services.

Probe changes in:

- > nature, size, profile of client group (inc. any funding or capacity restrictions on who can work with, especially any evidence of unmet needs);
- > needs of clients;
- > triggers for homelessness/crisis situation, etc.
- What are key contextual factors driving this change – rising unemployment; increased conditionality in JSA/ESA; decline in social lets; affordability/deposit barriers to home ownership
- Any impact of A8/other migration?
- What is it about these changes that directly impacts on your client group?
- Overall, have these economic developments/contexts had a positive or negative impact on your client group? (emphasis on broader trends rather than specific individuals)
- Have you monitored these impacts in any way? Any evidence you can share with us?
- How do you see these effects developing going forward (e.g. resulting from higher unemployment due to public sector cuts)? Will you be monitoring it?

3. Impacts of Coalition policies

- Are there any particular Coalition policies/proposals that are likely to impact significantly on your clients/service users and demand for your services (distinguish between likely impacts over next 12 months and longer-term impacts)?
- Probe:
 - > welfare reform –welfare reform – LHA restrictions (30th percentile rule; SAR extension to 35s; LHA caps); cuts in HB for under-occupiers in SRS ('bedroom tax'); uprating of HB non-dependent deductions; overall household benefit caps; Universal Credit, etc; decentralisation of the Social Fund and Council Tax Benefit; benefit uprating capped at 1%; use of DHPs to mitigate impacts? Also IB/ESA/Personal Independence Payments (replacing Disability Living Allowance) reforms); increasing sanctions under JSA;
 - > social housing reform – restricted access to waiting lists; 'affordable rents' regime; ending security of tenure;
 - > homelessness legislation – discharge of duty into PRS;
 - > Supporting People – cuts/removal of ring fence;
 - > other aspects of localism agenda;
 - > other public sector reforms/cuts.
- What impact will they have – positive or negative?
- Are your service users aware of these changes? What do they make of them? What are they most concerned about/any trends in these reactions?
- What is it about these policy changes that will directly impact on your client group/what is the process by which it will affect them?

Probe:

- > increase risks of homelessness
 - > make homelessness prevention more difficult
 - > make resolving homelessness more difficult, etc.
- Which policies/impacts are you most concerned about and why?
- When do you think you will start to see these effects/timescale for impacts?
- Do you think they will impact on particular groups/regions more than others?
- Will you be monitoring these impacts in any way? When will you have data/evidence to share?

4. Follow up

- Any data/evidence they can give us? Can you feed in any updates on relevant data?
- OK to return to speak to them again this time next year?

Appendix 2 Topic guide for key informant interviews: Round 3 (2013) local authorities

1. Introduction – explain nature and purpose of research

Note respondent job title/role; duration in that position/organisation

2. Impacts of recent economic/housing market conditions

(a) Has there been an impact of the **ongoing weakness of the job market and the continuing housing market downturn** on housing need/homelessness in your LA? – e.g. in terms of:

- > rising unemployment leading to more rent/mortgage arrears feeding through to rising evictions/mortgage repossessions?
- > decline in social lets squeezing affordable housing supply?
- > affordability/deposit barriers to home ownership, etc?
- > A8 (or other) migration trends?

(b) Any specific effects on: (i) statutory homeless ; (ii) rough sleepers; (iii) single homeless; (iv) hidden homelessness (sofa surfing, overcrowding etc.)

Probe:

- > on any changes in size, nature of client group (e.g. any evidence of ‘middle class homelessness’);
- > factors triggering homelessness (e.g. mortgage/rent arrears, end of assured shortholds, family pressures, drug/alcohol problems); nature of prevention activity

(c) What **statistical measures** do you have for changing rates of housing need/homelessness demand in your borough over the past 2-3 years? – e.g. new housing applications, housing advice caseload statistics. Can you share these with us?

(d) How do you see the impact of **economic and housing market conditions** affecting homelessness over the next year?

3. Impacts of Coalition Govt housing/housing benefit reform policies

(a) Are there any particular Coalition housing/housing benefit reform policies/proposals impacting significantly on housing need/homelessness or likely to do so in next 1-2 years?

Probe:

- > welfare reform;
- > LHA restrictions (30th percentile rule; SAR extension to 35s; LHA caps);
- > cuts in HB for under-occupiers in SRS (‘bedroom tax’);
- > uprating of HB non-dependent deductions;
- > overall household benefit caps;
- > Universal Credit, etc;
- > decentralisation of the Social Fund and Council Tax Benefit;
- > benefit uprating capped at 1%;
- > how are DHPs being used/are they mitigating impacts in your borough?

- > social housing reform – restricted access to waiting lists; ‘affordable rents’ regime; ending security of tenure;
 - > homelessness legislation – discharge of duty into PRS;
 - > Supporting People cutbacks;
 - > What impact will these changes have – positive or negative?
- (b) Can anything be said about the likely impacts on distinct homelessness groups – i.e. statutory homeless, rough sleepers, single homeless, hidden homeless?
- (c) Which policies/impacts are you most concerned about and why?
- (d) Do you think social landlords will be budgeting to accept higher arrears levels due to HB cuts or will they just evict more people as arrears rise?
- (e) Do you think that a continuing expansion of the private rented sector will help offset rising homelessness by providing more supply at affordable rents?
- (f) What is your authority’s experience of whether landlords are accepting lower rents to conform to reduced HB ceilings?

4. Impacts of other Coalition Government policies over next 12 months

- (a) Are there any other Coalition Govt policies/proposals you believe are likely to impact significantly on housing need/homelessness?

Probe:

- > other implications of localism or benefit changes not directly related to housing (e.g. IB/ESA/Personal Independence Payments (replacing Disability Living Allowance) reforms)
- (b) How will these factors impact here?

Probe:

- > increase risks of homelessness, make homelessness prevention more difficult, make resolving homelessness more difficult
- (c) Can anything be said about how these changes may affect distinct homelessness groups – i.e. statutory homeless, rough sleepers, single homeless
- (d) Which policies/impacts are you most concerned about and why?
- (e) When do you think you will start to see these effects/timescale for impacts? Do you think they will affect some groups more than others?

5. (If not already fully covered) If statutory homelessness numbers (or homelessness applications) have been rising in your authority, what are believed to be the main underlying drivers of this trend? What evidence is available to support this?

6. (If not already fully covered) If rough sleeper numbers have been rising in your authority, what are believed to be the main underlying drivers of this trend? What evidence is available to support this?
7. (If not already covered) Are there any local housing, planning or other policies which have impacted or may impact on homelessness demand?

8. Follow up

Any data/evidence/reports to be provided? OK to repeat interview in Spring 2014?

Bibliography

Audit Commission (2009) *When it Comes to the Crunch: How Councils are Responding to the Recession*. London: Audit Commission.

Baldwin, T. & Luba, J. (2012) *The Localism Act 2011: allocation of social housing accommodation*. <http://www.gardencourtchambers.co.uk/imageUpload/File/Localismarticle2Jan.pdf>

BBC News (2013) 'Councils seeks judicial review of mayor's rent plan', *BBC News*, 8th September: <http://www.bbc.co.uk/news/uk-england-london-24002244>

BBC News (2013) 'David Cameron suggests cutting benefits for under-25s', *BBC News*, 2nd October: <http://www.bbc.co.uk/news/uk-politics-24369514>

Beatty, C. & Fothergill, S. (2013) *Hitting the Poorest Places Hardest: The Local and Regional Impact of Welfare Reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

Beatty, C., Cole, I., Kemp, P., Marshall, B., Powell, R. & Wilson, I. (2012) *Monitoring the Impact of Changes to the Local Housing Allowance System of Housing Benefit: Summary of Early Findings*. London: DWP.

Bowcott, O. (2013) 'Cash-strapped law centres turn clients away as legal aid cuts bite', *Guardian*, 18th September: <http://www.theguardian.com/law/2013/sep/18/law-centres-clients-legal-aid>

Bradshaw, J., Chzhen, Y. & Stephens, M. (2008) 'Housing: the saving grace in the British welfare state', in S. Fitzpatrick & M. Stephens (eds.) *The Future of Social Housing*. London: Shelter.

Broadway, University of York & Crunch Consulting (2011) *No Second Night Out: An evaluation of the first six months of the project*. <http://www.nosecondnightout.org.uk/wp-content/uploads/2012/01/NSNO-6-month-review-Final.pdf>

Brown, C. (2013) 'Full details of first bedroom tax tribunal rulings', *Inside Housing*, 23rd September: <http://www.insidehousing.co.uk/regulation/full-details-of-first-bedroom-tax-tribunal-rulings/6528701.article>

Brown, C. (2013) 'Minister urges councils to set fixed-term tenancies', *Inside Housing*, 11 January: <http://www.insidehousing.co.uk//6525296.article>

Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis. <http://www.york.ac.uk/media/chp/documents/2011/unfairshares.pdf>

CIH & Haringey Council (2013) *Experiences and Effects of the Benefit Cap in Haringey*. <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Experiences%20and%20effects%20of%20the%20benefit%20cap%20in%20Haringey%20-%20October%202013.pdf>

Citizens Advice (2012) *Out of Scope, Out of Mind: Who Really Loses from Legal Aid Reform*. London: Citizens Advice.

Crisis (2013) *The Crisis PRS Access Development Programme 2010-2014*. <http://www.crisis.org.uk/pages/crisis-private-renting-funding.html>

Crisis, Homeless Link & St Mungo's (2012) *The Programme's Not Working: Experiences of Homeless People on the Work Programme*. <http://homeless.org.uk/news/work-programme-not-working-homeless-people#.UkxoJRaR--8>

DCLG (2011) *Private Landlords Survey 2010*. London: DCLG.

DCLG (2011) *Vision to End Rough Sleeping: No Second Night Out Nationwide*. London: DCLG.

DCLG (2012) 'Safety net against homelessness continues to 2015', *DCLG Announcement*, 2nd September: <https://www.gov.uk/government/news/safety-net-against-homelessness-continues-to-2015>

DCLG (2012) *Making Every Contact Count: A Joint Approach to Preventing Homelessness*. London: DCLG.

DCLG (2012) *Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) Order 2012*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9323/121026_Stat_guidancewith_front_page_and_ISBN_to_convert_to_pdf.pdf

DCLG (2013) '£1.7 million Gold Standard sets new homelessness benchmark', *DCLG News Story*, 9th April: <https://www.gov.uk/government/news/1-7-million-gold-standard-sets-new-homelessness-benchmark>

DCLG (2013) '£1.9 million to tackle bed and breakfast living', *DCLG Press Release*, 1st August: <https://www.gov.uk/government/news/19-million-to-tackle-bed-and-breakfast-living>

DCLG (2013) *Statutory Homelessness: April to June Quarter 2013, England*. London: DCLG.

Dugan, E. (2013) '50,000 people are now facing eviction after bedroom tax', *Independent*, 19th September: <http://www.independent.co.uk/news/uk/politics/exclusive-50000-people-are-now-facing-eviction-after-bedroom-tax-8825074.html>

Duxbury, N. (2013) 'Londoners housed outside capital doubles', *Inside Housing*, 1st November: <http://www.insidehousing.co.uk/tenancies/londoners-housed-outside-capital-doubles/6529299.article>

DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. <http://www.dwp.gov.uk/docs/hb-benefit-cap-draft-regs-2012-memorandum.pdf>

DWP (2012) *Housing Benefit Size Criteria for People Renting in the Social Rented Sector Impact Assessment Updated June 2012*: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf

DWP (2012) *Universal Credit Impact Assessment*. London: DWP. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf

DWP (2013) 'Housing Benefit and Council Tax Benefit Summary Statistics', *National Statistics*, 1st April: <https://www.gov.uk/government/publications/housing-benefit-and-council-tax-benefit-summary-statistics-january-2013> (and earlier additions).

DWP (2013) *Benefit Cap – Number of Households Capped across Phased Area Local Authorities data to June 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226359/benefit-cap-june-2013.pdf

DWP (2013) *Direct Payment Demonstration Project: Learning and Payment figures–May 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228925/direct-payment-demo-figures-may-2013.pdf

DWP (2013) *Number of Jobseeker's Allowance Sanctions and Disallowances where a decision has been made in each month from 1 April 2000 to 21 October 2012*, *Ad Hoc Statistical Analysis Quarter 3, 2013*. <https://www.gov.uk/government/publications/number-of-jobseekers-allowance-sanctions-and-disallowances-where-a-decision-has-been-made-in-each-month-from-1-april-2000-to-21-october-2012>

DWP (2013) *Work Programme Official Statistics to June 2013*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210226/work-programme-stats-summary-june-2013_v2_020713.pdf

Fitzpatrick, S. & Pawson, H. (2011) *Security of Tenure in Social Housing: An International Review*. http://www.sbe.hw.ac.uk/documents/Fitzpatrick_Pawson_2011_Security_of_Tenure.pdf

Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, DOI:10.1080/02673037.2013.803043

Fitzpatrick, S. & Stephens, M. (2007) *An International Review of Homelessness and Social Housing Policy*. London: CLG.

Fitzpatrick, S. & Stephens, M. (eds.) (2008) *The Future of Social Housing*. London: Shelter.

Fitzpatrick, S. (2005) 'Explaining homelessness: a critical realist perspective', *Housing, Theory & Society*, 22(1): 1-17.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.

Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) (2009) *Homelessness in the UK: Problems and Solutions*. Coventry: CIH.

Garvie, D. (2012) 'Location, location: how localism is shunting homeless families out', *Guardian*, 7th February: <http://www.guardian.co.uk/housing-network/2012/feb/07/location-localism-homeless-families-shelter>

Gordon, D., Mack, M., Lansley, S., Main, G., Nandy, S., Patsios, D., Pomati, M. & the PSE team from the University of Bristol, Heriot-Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen's University Belfast, University of Glasgow & University of York (2013) *The Impoverishment of the UK - PSE First Results. Living Standards*. http://www.poverty.ac.uk/system/files/attachments/The_Impoverishment_of_the_UK_PSE_UK_first_results_summary_report_March_28.pdf

Hilditch, S. (2012) 'Homelessness safety net: going, going, gone?', *Red Brick*, 27th June: <http://redbrickblog.wordpress.com/2012/06/27/homelessness-safety-net-going-going-gone/>

Holmans, A. (2005) *Historical Statistics of Housing in Great Britain*. Cambridge: Department of Land Economy, University of Cambridge.

Homeless Link (2010) *Evaluating Rough Sleeping Toolkit*. <http://www.homeless.org.uk/evaluating-roughsleeping-toolkit>

Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. <http://homeless.org.uk/news/benefit-sanctions-hitting-homeless-people-hardest#.UkyEixaR--8>

Homeless Link (2013) *Survey of Needs and Provision 2012: Homelessness Services for Single People and Couples Without Dependent Children in England*. http://homeless.org.uk/sites/default/files/SNAP%202013%20Final%20180413_2.pdf

- Homelessness (Suitability of Accommodation) (England) Order 2012 (SI. 2601) <http://www.legislation.gov.uk/ukxi/2012/2601/article/3/made>
- Housing Futures Network (2013) *The Impact of Cutting Housing Benefit on Under occupiers in Social Housing*. <http://www.affinitysutton.com/media/410135/Housing%20Futures%20report%20-%20final.pdf>
- Inside Housing (2013) 'Labour councils bin fixed-term tenancies', *Inside Housing*, 11th January: <http://www.insidehousing.co.uk/tenancies/labour-councils-bin-fixed-term-tenancies/6525276.article>
- Kelly, L. (2013) 'Reshuffle: Kris Hopkins appointed housing minister', *Guardian*, 8th October: http://www.theguardian.com/housing-network/2013/oct/08/reshuffle-housing-minister-kris-hopkins?CMP=&et_cid=47553&et rid
- Law Society (2013) 'Legal aid changes: key information and advice', *Law Society Article*, 13th March: <http://www.lawsociety.org.uk/advice/articles/legal-aid-changes-key-information-and-advice/>
- Lemos, G. & Durkacz, S. (2002) *Dreams Deferred: The Families and Friends of Homeless and Vulnerable People*. London: Lemos & Crane.
- Lloyds Banking Group (2013) *Halifax House Price Index August 2013*, and related data series. www.Lloydsbankinggroup.com.
- McNaughton, C. (2008) *Transitions through Homelessness: Lives on the Edge*. Basingstoke: Palgrave Macmillan.
- Merrick, N. (2012) 'Councils underspend payments for struggling households by £8 million', *Guardian*, 25th June: <http://www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend>
- National Audit Office (2013) *Universal Credit: early progress*. London: The Stationery Office. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>
- National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.
- National Housing Federation (2013) 'More than half of families hit by bedroom tax pushed into debt', *NHF Press Release*, 18th September: <http://www.housing.org.uk/media/press-releases/more-than-half-of-families-hit-by-bedroom-tax-pushed-into-debt>
- National Practitioner Support Service (2013) *Peer-led Prevention Partnership, Presentation to the Sounding Board Meetings, September 2013*. Winchester: Winchester City Council, DCLG and National Practitioner Support Service.
- Nearly Legal (2013) *Bedroom Tax FTT Decisions*. <http://nearlylegal.co.uk/blog/bedroom-tax-fft-decisions/>
- Newton, B., Meager, N., Bertram, C., Corden, A., George, A., Lalani, M., Metcalf, H., Rolfe, H., Sainsbury, R & Weston, K (2012) *Work Programme Evaluation: Findings from the First Phase of Qualitative Research on Programme Delivery, Research Report No 821*. London: DWP.
- OBR (2013) *Economic and Fiscal Outlook, March 2013*. <http://cdn.budgetresponsibility.independent.gov.uk/March-2013-EFO-44734674673453.pdf>

OHCHR (2013) 'Press Statement by the United Nations Special Rapporteur on adequate housing: End mission to the United Kingdom of Great Britain and Northern Ireland, 29 August to 11 September', *Office of the High Commissioner of Human Rights Press Statement*, 11th September: <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=13706&LangID=E>

Pawson, H. (2009) Homelessness policy in England; Promoting gatekeeping or effective prevention? in Fitzpatrick, S. (ed) *Homelessness Problems, Policies and Solutions*. Coventry: CIH.

Pearson, A. (2013) 'North East homeless are hit by Government's bedroom tax', *The Journal Press Release*, 24th June: <http://www.thejournal.co.uk/news/north-east-news/north-east-homeless-hit-governments-4715216>

Pleace, N., Fitzpatrick, S., Johnsen, S., Quilgars, D. & Sanderson, D. (2008) *Statutory Homelessness in England: The Experience of Families and 16-17 Year Olds*. London: CLG.

Prisk, M. (2013) 'Housing Speech', 27th June: <https://www.gov.uk/government/speeches/housing-speech-by-mark-prisk>

Royston, S. & Rodrigues, L. (2013) *Nowhere to Turn? Changes to Emergency Support*. London: The Children's Society.

Sanders, B., Teixeira, L. & Truder, J. (2013), *Dashed Hopes, Lives on Hold: Single Homeless People's Experience of the Work Programme*. London: Crisis.

Sanders, B. & Teixeira, L. (2012) *No Room Available: Study of the Availability of Shared Accommodation*. London: Crisis.

Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G. V. & Chzhen, Y. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

Tabner, K. (2010) *Beyond Homelessness: Developing Positive Social Networks*. Edinburgh: Rock Trust.

Tunstall, R., Bevan, M., Bradshaw, J., Croucher, K. Duffy, S., Hunter, C., Jones, A., Rugg, J., Wallace, A. & Wilcox, S. (2013) *The Links Between Housing and Poverty*. York: JRF.

Vaitilingham, R. (2009) *Britain in Recession: Forty Findings from Social and Economic Research*. Swansea: ESRC.

Wilcox, S. & Perry, J. (2013) *UK Housing Review 2013 Briefing Paper*. Coventry: CIH.

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

Get in touch

Crisis head office
66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012

www.crisis.org.uk

© Crisis 2013

ISBN 978-1-899257-89-8

Crisis UK (trading as Crisis). Registered Charity Numbers:
E&W1082947, SC040094. Company Number: 4024938

Homelessness ends here