

The homelessness monitor: Great Britain 2016

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The homelessness monitor

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in the United Kingdom. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of policy changes.

This summary draws upon individual Homelessness Monitors that have been published for England, Scotland and Wales during 2015 and 2016. The second Northern Ireland Monitor will be available in Autumn 2016.

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Executive Summary

Key points

- Over the past five years there has been a growing variation in the levels and patterns of homelessness across England, Wales and Scotland. Statutory homelessness policy has diverged significantly across Great Britain since devolution in 1999 and is a contributing factor in explaining these differences.
- The causation of homelessness is complex, with no single 'trigger' that is either 'necessary' or 'sufficient' for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, between countries, and varies between demographic groups. With respect to the main structural factors, housing market trends appear to have the most direct impact on levels of homelessness in many European countries, with the influence of labour market change more likely to be a lagged and diffuse effect, strongly mediated by welfare arrangements. Since the Homelessness Monitors have been conducted in 2011, most key informants have maintained that policy factors – and in particular welfare reform – have a far more profound impact on homelessness trends than the economic context in and of itself. This is apparent by the divergence in levels and patterns of homelessness across the devolved nations.
- In England, rough sleeping is on a sharp upward trajectory with the national total having doubled between 2010 and 2015. At 30%, the 2015 country-wide increase was the largest to date. Over the past two years, however, the national statutory homelessness caseload has largely stabilised. In 2014/15 the total number of decisions remained static, albeit at 26 per cent above the 2009/10 level.
- However, administrative changes mean that these official statistics understate the true increase in 'homelessness expressed demand' over recent years. Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 275,000 'local authority homelessness case actions' in 2014/15, and while this represents a slight (2%) decrease from the previous year, total cases have risen by 34% since 2009/10. Two-thirds of English local authorities reported that overall service demand 'footfall' continues to rise. Placements in temporary accommodation, since bottoming out in 2010/11, have also risen sharply, with the overall national total increasing by 12% in the year to 30th June 2015; up by 40% since its low point four years earlier.
- In contrast, in Scotland the total number of applications has fallen by 37% since 2009/10. In the most recent year, total applications fell by 4% while 'assessed as homeless' cases dropped by 5%. This downward trend is wholly the result of the introduction of the 'Housing Options' model of homelessness prevention from 2010 onwards. Taking into account 'homelessness-type' approaches to Housing Options services, in combination with formal homelessness applications, we can see that the overall annual level of homelessness presentations to Scottish local authorities has remained relatively steady in recent years (at around 54,000)
- A downward trend in homelessness 'acceptances' has been evident in Wales since 2011/12. By 2014/15, the total had fallen back to a level 8% below that of the previous nadir in 2009/10. Similarly, the last year has seen an 11% drop in total homelessness assessment decisions by Welsh local authorities,

with the 2014/15 figure thus reduced almost to the 2009/10 low. Our key informant interviewees generally saw the recent decline in recorded statutory homelessness numbers as attributable to local authorities 'gearing up' for the prevention-focused statutory regime, subsequently introduced in April 2015.¹ Thus, falling 'headline homelessness' numbers reflect administrative changes rather than a 'real' contraction in underlying homelessness demand. Despite their recent decline, recorded statutory homelessness acceptances in Wales (prior to the new homelessness legislation) were 70% higher than in England, pro rata to population.

- The Housing (Wales) Act 2014 ushered in significant changes to the homelessness legislation in Wales, which has seen a far stronger emphasis placed on prevention and relief duties owed to all eligible homeless households/households threatened with homelessness, regardless of priority need.
- Scotland abolished the priority need criterion at end of 2012, but policy debate and development on homelessness continues. The most important innovation over recent years has been the promotion of the 'Housing Options' approach to homelessness prevention in Scotland, with the Scottish Government providing (relatively modest) financial support for the establishment of five regional 'Housing Options Hubs' in 2010. The principles of Housing Options have been widely endorsed in Scotland,² and the development and contribution of the Hubs positively evaluated,³ but there has

been considerable controversy over the practical implementation of this model of homelessness prevention, especially in light of the very large falls in statutory homelessness acceptances that have occurred in some parts of Scotland raising concerns about potential 'gatekeeping'.

- Threatening to overwhelm efforts to prevent and address homelessness across the whole of the UK is the ongoing impact of welfare reform. A further round of major welfare reforms and cuts were announced in the 2015 Summer Budget, which will have particular implications for young single people under 22 years old and for larger families, and more generally for the ability of low income households to access the private rented sector. Two thirds of local authorities in England reported that the 2010-2015 welfare reforms had increased homelessness in their area. Negative effects of welfare reform on homelessness levels were much more widely reported by local authorities in London (93%) than in the North of England (49%). The Shared Accommodation Rate continues to cause major problems across Scotland in limiting the access of younger single people to the private rented sector, and is viewed as undermining the ability of Housing Options teams to use the private rented sector as a means to prevent or resolve homelessness. Parts of Wales have been disproportionately affected by the UK Government's welfare reforms. It has been estimated that in overall terms the programme of welfare reforms will this year extract £19 billion pounds from the pockets of low income households across Great Britain.⁴

1 Since the new homelessness legislation has been introduced in Wales there has been a 67% decrease in the number of households accepted as statutorily homeless.

2 Shelter Scotland (2011) *A Shelter Scotland Report: Housing Options in Scotland*. Edinburgh: Shelter Scotland; see also *Scottish Housing Regulator (2014) Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR. Stephens, M., et al. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

3 Ipsos MORI & Mandy Littlewood Social Research and Consulting (2012) *Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government. McNaughton, C. (2008) *Transitions through Homelessness: Lives on the Edge*. Basingstoke: Palgrave Macmillan.

4 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. Vaitilingham, R. (2009) *Britain in Recession: Forty Findings from Social and Economic Research*. Swindon: ESRC; and Audit Commission (2009) *When it Comes to the Crunch How Councils are Responding to the Recession*. London: Audit Commission.

Introduction

This longitudinal study aims to provide an independent analysis of the homelessness impacts of economic and policy developments in Great Britain. It considers both the consequences of post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of policy changes implemented by the UK Government and the devolved administrations in Scotland and Wales. The homeless groups taken into account in this study include:

- 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 are, arguably, homeless but whose situation is not ‘visible’ either on the streets or in official statistics on people claiming housing assistance. Classic examples would include households subject to severe overcrowding, 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 the hidden homeless population are amenable to statistical analysis and it is these elements that are focused upon in this project. These include

overcrowded households, as well as ‘concealed’ households and ‘sharing’ households.

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.⁵ The causation of homelessness is complex, with no single ‘trigger’ that is either ‘necessary’ or ‘sufficient’ for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, between countries, and varies between demographic groups. With respect to the main structural factors, housing market trends appear to have the most direct impact on levels of homelessness in many European countries, with the influence of labour market change more likely to be a lagged and diffuse effect, strongly mediated by welfare arrangements.

That said, most key informants consulted for the various Homelessness Monitors we have conducted since 2011 have maintained that policy factors – and in particular welfare reform – have a far more profound impact on homelessness trends than the economic context in and of itself. This remains the case in the Great Britain summary report.

This summary report provides an account of how homelessness stands in England in 2016 (or as close to 2016 as data availability at the time of analysis will allow), and in Wales and Scotland analysis relates to 2015 (or as close to 2015 as data availability allows). It also highlights emerging trends and forecasts some of the likely homelessness consequences of policy changes yet to be fully implemented. It draws upon individual

⁵ For a more detailed account of this conceptual framework please consult with Chapter 2 in the first homelessness monitor: 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

Homelessness Monitors which have been prepared for England, Scotland and Wales published over 2015 and 2016.

Three main methods are being employed in each year 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 local authorities and single and youth homelessness service providers across each of the UK nations. Third, we are undertaking detailed statistical analysis on a) relevant economic and social trends; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above. Fourth, in England only, we have conducted a national online survey of local authorities.

Trends in homelessness

The available data on homelessness varies across the countries of Great Britain and the trends in homelessness indicated by these data vary considerably. Statutory homelessness policy has diverged significantly across Great Britain since devolution in 1999 and is a contributing factor in explaining these differences as now discussed.

England

In England, rough sleeping is on a sharp upward trajectory with the national total having doubled between 2010 and 2015. At 30%, the 2015 country-wide increase was the largest to date. Statistics routinely collected by the 'CHAIN' system confirm a substantial rise in rough sleeping in London over the past year.

Over the past two years, however, the national statutory homelessness caseload largely stabilised. In 2014/15 the total number of decisions remained static, albeit at 26 per cent above the 2009/10 level. Statutory homelessness acceptances (that sub-group of decisions involving households

deemed unintentionally homeless and in priority need) rose 4 per cent in 2014/15 to a level 36 per cent above their 2009/10 low point. At 54,000, annual statutory 'homelessness acceptances' were 14,000 higher across England in 2014/15 than in 2009/10. With a rise of 4% over the past year, acceptances now stand 36% above their 2009/10 low point. Regional trends in statutory homelessness have remained highly contrasting, with acceptances in the North of England some 10% lower in 2014/15 than in 2009/10 (the national nadir), while in London the figures are 85% higher than at that time.

However, administrative changes mean that these official statistics understate the true increase in 'homelessness expressed demand' over recent years. Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 275,000 'local authority homelessness case actions' in 2014/15, a rise of 34% since 2009/10. While this represents a slight (2%) decrease in this indicator of the gross volume of homelessness demand over the past year, two-thirds of all local authorities in England reported that overall service demand 'footfall' had actually increased in their area in 2014/15.

Data on single homelessness trends, other than with respect to rough sleeping, are hard to source. The statutory homelessness system excludes most single homeless people, with only certain 'vulnerable' categories deemed 'priority cases' and therefore accepted as owed the main homelessness duty. The recent trend in such priority single homelessness cases has been relatively flat, rising only 9 per cent in the five years to 2014/15, as compared with the 47% increase seen for other types of households accepted as homeless (mostly families with children, see below). Likewise, 'non-priority' cases logged by local authorities – most of whom will be single people – have been running at around 20,000 in recent years

with no clear sign of any upward (or downward) trend.

The vast bulk of the recorded increase in statutory homelessness over the past five years is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases almost quadrupling from 4,600 to 16,000. As a proportion of all statutory homelessness acceptances, loss of a private tenancy therefore increased from 11% in 2009/10 to 29% in 2014/15. In London, the upward trend was even starker, homelessness consequent on the ending of a private tenancy accounting for 39% of all acceptances by 2014/15.

Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 12% in the year to 30th June 2015; up by 40% since its low point four years earlier. Although accounting for only 8% of the national total, B&B placements rose sharply (by 23%) in the most recent year. 'Out of district' placements also continue to rise, now accounting for 26% of the national total (up from only 11% in 2010/11). Such placements mainly involve London boroughs.

The importance of regional patterns and housing market pressures is reinforced by our potential hidden homelessness analysis, which demonstrates that concealed households,⁶ sharing households,⁷ and overcrowding,⁸ remain heavily concentrated in London and the South. There were 2.35 million households containing concealed single persons in England in early 2015, in addition to 267,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.52 million. These numbers represent a

rise of 40% since 2008. On the most recent (2013) figures 701,000 households (3.1%) were overcrowded in England; the highest level in recent years. Both concealed and overcrowded households can be stuck in that position for considerable periods of time, with this persistence worsening after the recent economic crisis.

A recent assessment by the UK Statistics Authority concluded that the official Homelessness Prevention and Relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated as 'National Statistics'. The Statutory Homelessness Statistics (narrowly) retained their National Statistics status on condition that urgent action is taken by Government to make a series of required improvements, including placing these statistics in their proper context.

Scotland

Trends in statutory homelessness in Scotland have tended to reflect major policy and administrative changes. Thus, the overall scale of statutory homelessness peaked in Scotland in 2005/06, reflecting the early stages of expansion of priority need, and has been on a marked downward path for the past five years. In 2014/15 Scottish local authorities logged 35,764 statutory homelessness applications, of which 28,615 were assessed as homeless. The total number of applications has fallen by 37% since 2009/10. In the most recent year, total applications fell by 4% while 'assessed as homeless' cases dropped by 5%.

This downward trend is wholly the result of the introduction of the 'Housing Options' model of homelessness prevention from

⁶ '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.

⁷ '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.

⁸ '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.

2010 onwards. Taking into account 'homelessness-type' approaches to Housing Options services, in combination with formal homelessness applications, we can see that the overall annual level of homelessness presentations to Scottish local authorities has remained relatively steady in recent years (at around 54,000).

In contrast with official practice in England, the Scottish Government maintains no regular rough sleeper 'headcount'. Instead, the scale of rough sleeping can be gauged indirectly through the local authority homelessness recording system. According to local authority HL1 returns, some 1,409 people applying as homeless in 2014/15 (4% of all applicants) reported having slept rough the night preceding their application.⁹ Over the past few years the number and proportion of applicants recorded as having slept rough immediately prior to a statutory homelessness application has fallen steadily, with the 2014/15 national total having almost halved since 2009/10 (down by 49%).¹⁰

However, this official pattern of declining rough sleeping is at odds with the steady, or even slightly upward trend, as suggested by self-reported data on past experience of homelessness captured by the Scottish Household Survey until 2012 (see further below). This national survey data indicates that just under 5,000 adults sleep rough over a year in Scotland, with an average of 660 sleeping rough on a typical night.¹¹

After a steady and substantial increase in the years to 2010/11, Scotland's temporary accommodation placements have subsequently remained fairly steady in the range 10-11,000 households at any one time.

Most temporary accommodation placements in Scotland are in ordinary social housing stock, though single person households are more likely than families to experience non-self contained temporary accommodation, such as hostels and Bed & Breakfast hotels. Local authorities across Scotland have reported substantially lengthening periods of time spent in temporary accommodation, and from April 2016 there will be mandatory data collection on this. There is currently substantial anxiety in Scotland with regard to the implications of welfare reform for meeting the costs of temporary accommodation.

There was a marked upturn in local authority evictions in 2014/15, reflecting the rise in rent arrears attributable at least in part to welfare reform. However, mortgage and rent arrears continue to account for only a very small proportion of statutory homelessness cases in Scotland, and there is little evidence of a strongly rising trend with respect to the ending of private tenancies as a cause of homelessness (as seen in England). This might reflect the fact Scotland's housing market has been generally less pressurised than that of London and the South of England where such trends have been pretty evident. Proposals to end 'no-fault' evictions in the private rented sector may similarly be expected to play a restraining role going forward.¹²

Scotland has generally followed UK-wide trends in the prevalence of concealed potential households, including a sharp upward movement in 2010-12. We find that about 9.3% of households in Scotland contain concealed households, including 6.7% nondependent children, 2.3% unrelated single adults, and 0.6% concealed families.¹³ The number of households affected totals

⁹ Steps are now being taken to embark on a programme of work to share anonymised data between local authorities and voluntary sectors providers in order to identify the extent to which these statutory homelessness statistics are fully capturing levels of rough sleeping in Scotland, see <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/paper2>

¹⁰ p.23 in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.

¹¹ SHS asks for what time period the respondent slept rough, stayed with friends or relatives, or stayed in hostels etc., in terms of broad bands; we make assumptions about the average number of days/nights in each band to arrive at these figures.

¹² Scottish Government (2015) *Private Housing (Tenancies) Scotland Bill*. Edinburgh: Scottish Government.

¹³ Authors' analysis of Labour Force Surveys.

223,000, including 56,200 consisting of unrelated single adults and 14,460 involving concealed families. Younger adults are rather more likely to form separate households in Scotland than in the wider UK, but all areas of the country saw a sharp drop after 2010. Overcrowding has increased in Scotland, to a level more similar to the rest of the UK, and seems to be strongly related to poverty.

Wales

Rough sleeping is monitored in Wales only on an occasional basis. National rough sleeper counts were co-ordinated by the Welsh Government in 2007 and 2008, and again in 2014. Recent attempts to enumerate rough sleeping in Wales indicate a rate lower than England, although the methodologies employed allow for only very broad estimation. The more severe or complex deprivations sometimes associated with rough sleeping and single homelessness, including destitution and offending behaviours, appear to be concentrated in the following areas: Cardiff, Swansea, Newport and the former mining 'Valleys' authorities (Merthyr Tydfil, Bridgend, Blaenau Gwent).

A downward trend in homelessness 'acceptances' has been evident in Wales since 2011/12. By 2014/15, the total had fallen back to a level 8% below that of the previous nadir in 2009/10. Similarly, the last year has seen an 11% drop in total homelessness assessment decisions by Welsh local authorities, with the 2014/15 figure thus reduced almost to the 2009/10 low. Our key informant interviewees generally saw the recent decline in recorded statutory homelessness numbers as attributable to local authorities 'gearing up' for the new prevention-focused statutory regime.¹⁴ Thus, falling 'headline homelessness' numbers reflect administrative changes rather than a 'real' contraction in underlying homelessness demand. Despite their recent

decline, recorded statutory homelessness acceptances in Wales (prior to the new homelessness legislation) were 70% higher than in England, pro rata to population.

The profile of statutorily homeless households in Wales changed markedly between 2009/10 and 2014/15, with an expansion in the number of acceptances accounted for by ex-offenders (up 14%), those fleeing domestic violence (up 19%), and those vulnerable because of mental illness or learning disabilities (up 24%). Over the same period, family households contracted by 13%, and there was a very sharp drop in the numbers declared vulnerable on grounds of youth (down 50%). The (controversial) removal of the 'automatic' priority need for ex-prisoners by the 2014 Act is expected to bring about a drastic reduction in the numbers in that category in the coming years.

There have also been significant shifts in the immediate causes of statutory homelessness with 'family/friend evictions' in 2014/15 down by 35% as compared with 2009/10, whereas homelessness due to loss of a rental tenancy was up by 20%. This latter trend is in keeping with developments in England where there has been a massive recent increase in statutory homelessness attributable to the loss of a private tenancy. Mortgage arrears as a cause of statutory homelessness remains at a very modest level in Wales (2% of all acceptances).

The number of concealed households appears fairly static in Wales, with a certain decline in 2010 followed by an increase during 2012-14. In 2014 there were an estimated 134,000 households containing at least one concealed single household, involving 165,000 individuals. In Wales this is particularly associated with non-dependent children living with parents. This is in addition to approximately 10,000

¹⁴ Since the new homelessness legislation has been introduced in Wales in April 2015 there has been a 67% decrease in the number of households accepted as statutorily homeless.

concealed lone parent/couple families containing 33,000 individuals.

There has been a decline in new household formation in Wales, particularly since 2010 in the 20-34 age group. In this respect Wales is catching up with trends in England which started earlier, because of affordability and access problems, with the recent decline probably reflecting recession and welfare benefit changes as well.

After a long-term decline, there has been a slight increase in the number of sharing households in the last four years in Wales. The decline, and then subsequent rise, of this indicator has tracked trends in UK but at a slightly lower level. In 2014 there were about 14,500 households sharing in Wales (1.1%), with relatively high levels in social renting.

Overcrowding affected around 36,000 households (3.6%) in Wales in 2012. It appears to be much more common in social renting, and in the major cities and some former mining areas. Cardiff stands out as having by far the highest rates of overcrowding, and other authorities with above-average scores are the other two large cities of Newport and Swansea, one former mining/Valleys authority (Merthyr Tydfil) and one rural authority (Ceredigion).

UK and devolved Governments' policies potentially impacting on homelessness

As the previous section shows, over the past five years there has been a growing variation in the levels and patterns of homelessness across England, Wales and Scotland, directly influenced by devolved homelessness policy. Since the Homelessness Monitors have been conducted in 2011, most key informants

have maintained that policy factors – and in particular welfare reform – have a far more profound impact on homelessness trends than the economic context in and of itself. This remains the case in the Great Britain summary report and is discussed in more detail below.

England

There has been something of a housing market recovery since 2013, prompting media speculation about the risk of an unsustainable boom, and concerns about the possible inflationary impacts of the Government's Help to Buy schemes. However, average UK house prices only recovered to 2007 levels during 2015,¹⁵ though within that wider picture there was a very strong recovery in the London housing market, with the London: UK differential widening to unprecedented levels.¹⁶ While the Government announced a raft of new measures to support access to home ownership in the 2015 Autumn Statement, these will at best ameliorate rather than reverse the constraints on access for households lacking substantial savings – or parental help – to meet minimum deposit requirements.

With respect to the implications for homelessness, there are concerns that the forced sale of high-value council houses, coupled with the loss of properties via the Right to Buy, and reduced new build development, will further deplete social housing capacity in just those areas of England already exposed to extreme shortage. Coupled with a potential weakening in local authority nomination rights to housing association properties, and growing difficulties in gaining access to the private rented sector, these recent policy developments could well result in 'perfect storm' conditions for local authorities seeking to discharge statutory homelessness duties.

¹⁵ Lloyds Banking Group (2015) Halifax House Price Index September 2015, and related data series. www.Lloydsbankinggroup.com. The Halifax house price series is used as it is fully 'mix adjusted' and thus provides a like for like comparison of house prices over the years, and is not distorted by changes in the mix of dwellings sold in different years

¹⁶ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

Meanwhile, a whole gamut of welfare restrictions have made access to the private rented sector increasingly difficult for low income households in many areas. Two thirds of local authorities in England reported that the 2010-2015 welfare reforms had increased homelessness in their area. Negative effects of welfare reform on homelessness levels were much more widely reported by local authorities in London (93%) than in the North of England (49%). Northern local authorities most commonly cited the extension of the Shared Accommodation Rate to 25-34 year olds (44%), and benefit sanctions (33%), as the primary welfare reform measures driving homelessness in their areas. In London, on the other hand, the maximum cap on Local Housing Allowance rates was by far the most frequently identified welfare change inflating homelessness (reported by 69% of London Borough Councils).

Moreover, almost three quarters (73%) of English local authorities anticipated that the roll out of Universal Credit would further increase homelessness in their area. Particular concerns focused on the impact of altered direct rental payment arrangements on their already fragile access to private tenancies to prevent or alleviate homelessness. The new welfare reforms announced in the Summer 2015 Budget and Autumn Statement will have particularly marked consequences for families with more than two children, and for out-of-work young single people aged 18-21 who, subject to specific exemptions, may be entirely excluded from support with their housing costs or otherwise subject to the very low Shared Accommodation Rate of Housing Benefit in the social as well as the private rented sector. In the face of these and other major benefit cuts, local authority survey respondents largely viewed expanded Discretionary Housing Payments budgets, while welcome and necessary, as an unsustainable 'fix' in the longer-term.

The one per cent cut in social rents and, even more so, the extension of the Local Housing Allowance Rate caps to the social rented sector have prompted concerns about the viability of supported accommodation services unless exemptions are applied in this subsector. Temporary accommodation for homeless people will in future be funded via an upfront allocation given to councils rather than an additional 'management fee' recouped through Housing Benefit, which may have implications for local authorities' ability to respond to fluctuating levels of 'homelessness demand'.

A range of issues were explored with English local authorities with regard to their statutory homelessness functions in the latest online survey. Whilst recognising that statutory duties intentionally discriminate in favour of certain 'priority need' household types, the survey attempted to determine, which, if any, kinds of homeless households local authorities found it difficult to provide 'meaningful help' to. Perhaps unsurprisingly LAs were more likely to report far greater difficulties providing 'meaningful help' to single homeless people, especially those aged 25-34, and to homeless people with complex needs, than they do for homeless families with children. For almost all household types, LAs in the North were least likely, and LAs in the South were most likely, to say they struggled to provide meaningful help. When LAs were asked to elaborate on the reason for these problems, it was evident that acute shortages of affordable housing supply, coupled with welfare restrictions were key factors especially in London.

The Homelessness Minister has recently announced a commitment to "work with homelessness organisations and across departments to consider options, including legislation, to prevent more people from becoming homeless".¹⁷ There was majority support amongst English local authorities for a move towards the more 'universal'

¹⁷ DCLG (2015) 'Radical package of measures announced to tackle homelessness', DCLG Press Release, 17th December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

preventative model offered to all homeless households under the Housing (Wales) Act 2014. London Boroughs were evenly split on the model's merits.

Scotland

The most important homelessness policy innovation in Scotland in recent years, aside from the abolition of priority need by the end of 2012, has been the promotion of the 'Housing Options' approach to homelessness prevention, with the Scottish Government providing (relatively modest) financial support for the establishment of five regional 'Housing Options Hubs' in 2010. The principles of Housing Options have been widely endorsed in Scotland,¹⁸ and the development and contribution of the Hubs positively evaluated,¹⁹ but there has been considerable controversy over the practical implementation of this model of homelessness prevention, especially in light of the very large falls in statutory homelessness acceptances that have occurred in some parts of Scotland (see below), raising concerns about potential 'gatekeeping'.

After a critical report by the Scottish Housing Regulator,²⁰ which noted that the 'diversion' of people from a homelessness assessment to Housing Options was not always appropriate, national (non-statutory) guidance was published on Housing Options by the Scottish Government, alongside a new training toolkit for use by staff and elected members.²¹ Mandatory data collection under 'PREVENT1' on homelessness prevention and Housing Options, underway since April 2014, will generate an exceptionally important resource for monitoring the outcomes of these policy developments over time. Linkage with the statutory homelessness data collection (HL1) is a particularly helpful

feature of PREVENT1, enabling estimation of the global 'homelessness caseload'

of Scottish local authorities, and also the tracking of households moving through both systems to their final 'housing outcome'.²²

Housing supply remains a challenge with respect to addressing homelessness in Scotland. Housing supply fell to historically low levels during the recession, and annual additions to the housing stock now need to rise by some 30% from 2013/14 levels just to keep pace with household growth. The gradual long-term decline in social sector lettings has been contained, for now, by the new lettings developed through the Affordable Housing Supply Programme. It is noteworthy that public policy in Scotland continues to support substantial new investment in social rent, in sharp contrast to England where investment in 'affordable' rent (up to 80% of market rents) - for all low income households - has now almost totally replaced investment in new social rented stock.²³

As in the rest of the UK, the private rented sector has grown rapidly in Scotland in recent years and has doubled in size over the decade to 2013. It now accounts for 15% of all housing stock, and still provides less than two thirds of the number of rented dwellings available in the social rented sector in Scotland. Private tenants are set to benefit from a substantial improvement in their rights to security of tenure under proposed new Scottish legislation which will see the ending of 'no fault' evictions.

This is a time of continuing policy development on homelessness in Scotland, with youth homelessness and in particular

¹⁸ Shelter Scotland (2011) *A Shelter Scotland Report: Housing Options in Scotland*. Edinburgh: Shelter Scotland; see also Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

¹⁹ Ipsos MORI & Mandy Littlewood Social Research and Consulting (2012) *Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government.

²⁰ Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

²¹ Scottish Government and COSLA (2016) *Housing Options Guidance*, <http://www.gov.scot/Publications/2016/03/6556>

²² p. 4 in Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

²³ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

‘multiple exclusion homelessness’ specific foci of recent activity. Of particular relevance to the latter, there have been recent positive developments with regard to renewed engagement of the health sector in addressing homelessness in Scotland, and important opportunities, as well as challenges, are presented by the health and social care integration process. However, the practical impact of the new statutory ‘housing support duty’ appears to have been limited.

The Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some limited new powers on the operation of welfare policies in Scotland. They have stated that these will be used for the effective ‘abolition’ of the ‘social sector Housing Benefit size criteria’ (commonly known as the ‘Bedroom Tax’) in Scotland, and the continuation of direct payments to social landlords of Universal Credit elements related to rental costs.

The Shared Accommodation Rate of Housing Benefit continues to cause problems across Scotland in limiting the access of younger single people to the private rented sector, and is viewed as undermining the ability of Housing Options teams to use the private rented sector as a means to prevent or resolve homelessness. However, cultural antipathy towards the private rented sector, and sharing in particular, also plays a role in some local authority areas. The proposed extension of the Shared Accommodation Rate to social tenants under 35 from April 2018 is a particular concern in Scotland given the high proportion of all households accepted as statutorily homeless that this change will potentially affect. Benefit sanctions are now a core concern within the homelessness sector in Scotland, with implications both for people’s capacity to avoid or move on from homelessness, and for the financial viability of some

accommodation projects which struggle to recover service charges from sanctioned residents.

Wales

There are significant economic challenges in Wales that shape the context for homelessness. While the UK economy has now returned to pre-credit crunch levels, the Welsh economic downturn was more severe, and recovery lags behind England and Scotland. Moreover, it is widely accepted outside as well as within Wales, that the overall ‘Barnett formula’ based devolution funding arrangements do not result in a favourable outcome for the Welsh Government, especially as compared with Scotland and Northern Ireland. Within that context, there has tended to be a lower effective priority given to housing investment by Welsh Governments in the post-devolution period than elsewhere in the UK, though the gap with England has narrowed in recent years as state-funded housing investment there has been cut sharply. The Welsh Government appears to be on track to meeting its own target of providing 10,000 additional ‘affordable’ dwellings over its current four year term, but that falls considerably short of the higher, independently assessed, level of the numbers required (15,000).

Particularly relevant from the perspective of the Monitor, the Housing (Wales) Act 2014 ushered in significant changes to the homelessness legislation in Wales, which has seen a far stronger emphasis placed on prevention and relief duties owed to all eligible homeless households/households threatened with homelessness, regardless of priority need. While it was too early at the time of writing the Welsh Monitor to assess the practical impact of these new duties, in principle they appeared to command a high degree of support in both the statutory

and voluntary sectors in Wales, albeit some stakeholders regret compromises made in the passage of the Act through the Welsh Assembly. A significant reduction in the number of statutory homelessness acceptances has been apparent since the new legislative framework came into force in April 2015.²⁴

However, one potentially worrying development to emerge in the latest Welsh Monitor is an apparent weakening in homeless people's access to social housing. While 2013/14 saw a rise in the availability of social sector lettings in Wales, there has been a marked decline in the proportion of those lettings allocated to homeless households – reduced to 18% of all lettings to new tenants, as compared with the recent norm of around a quarter. Whilst this pattern may partly reflect recent declines in the level of statutory homelessness acceptances in Wales, the numbers rehoused in social housing have also fallen as a proportion of total homelessness acceptances (to 61% from 70% a year earlier), suggesting a 'real' pattern of lowered priority. Though the reasons for this trend remain uncertain, it has been suggested that the introduction of financial capability assessments by some social landlords may be making it more difficult for homeless households to access housing association properties.

Parts of Wales have been disproportionately affected by the UK Government's welfare reforms. It has been estimated that in overall terms the programme of welfare reforms will this year extract £19 billion pounds from the pockets of low income households across Great Britain.²⁵ While on average losses equate 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 five of the twenty five most

disadvantaged areas are in Wales (Merthyr Tydfil £720, Blaenau Gwent £700, Neath Port Talbot £700, Rhondda Cynon Taff £670, Caerphilly £640).

Lower Local Housing Allowance rates have slowed the growth in the numbers of Housing Benefit claimants able to access the (expanding) private rented sector in Wales, and increased average 'shortfalls' between Local Housing Allowance awards and landlord rents. There has been a more marked impact on young single people only eligible for the much lower Shared Accommodation Rate allowances, and the number of under-25s in the sector fell by 21% between December 2011 and November 2014.

Conclusion

Even as the UK economy strengthens, policy led factors continue to have a direct bearing on the levels of homelessness across each of the devolved nations. The UK wide welfare reforms have had a marked impact on England, Scotland and Wales whilst the divergent statutory homelessness frameworks have led to differing patterns of homelessness. In England we have seen levels of homelessness increase overall, whereas in contrast, in Scotland and Wales, there is a downward trend in homelessness acceptances directly influenced by changes in homelessness policy.

The importance of revisiting the statutory homelessness framework in light of the 'prevention turn' in policy and practice in all parts of the UK is now evident, especially given the contention that the outcomes of flexible 'housing options' interventions can be better for at least some households than those of the traditional statutory route.²⁶ The Welsh Government is the first

²⁴ Stats Wales (2016) Households for which assistance has been provided by outcome and household type <http://gov.wales/statistics-and-research/homelessness/?lang=en>

²⁵ 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.

²⁶ 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.

UK administration that has taken on that challenge and experiences there may yield valuable lessons for the other jurisdictions.

From our vantage point at the end of 2015, and having completed five annual Homeless Monitors for England, it is clear that homelessness worsened considerably over the period of the Coalition Government. While the Homelessness Prevention Grant has received welcome protection from general cutbacks, services have been overwhelmed by the knock on consequences of wider ministerial decisions, especially on welfare reform.

Certainly, if the welfare reform agenda driven by the UK Government further increases poverty in Scotland, as is widely anticipated, then we would expect a concomitant, if lagged, rise in homelessness. With Scottish elections next month, the prospect of a referendum on European Union membership, and the possibility of another Scottish referendum on independence, there are major political developments in the pipeline that may change the context for homelessness in Scotland in quite fundamental ways.

In Wales, it is still very early days for judging the impact of new legislative framework, but the numbers accepted as owed the full duty to be secured accommodation do seem to be reducing quite rapidly. With respect to future trends, much will also depend on the impact of wider forces, most notably welfare reform.

Looking ahead, monitoring the impact of this significantly reformed statutory framework in Wales, and keeping abreast of possible legislative change in England, will be a major theme in forthcoming editions of this Monitor series. There is also much cause for concern with deepening cuts in welfare making access to both rental sectors increasingly difficult for low income households. It will therefore be at least as important to monitor the

homelessness impacts of welfare, housing and other policy changes under the current Conservative Government in Westminster, and each of the devolved administrations, as it has been to reflect on these impacts over the past five years.

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.

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Homelessness ends here