

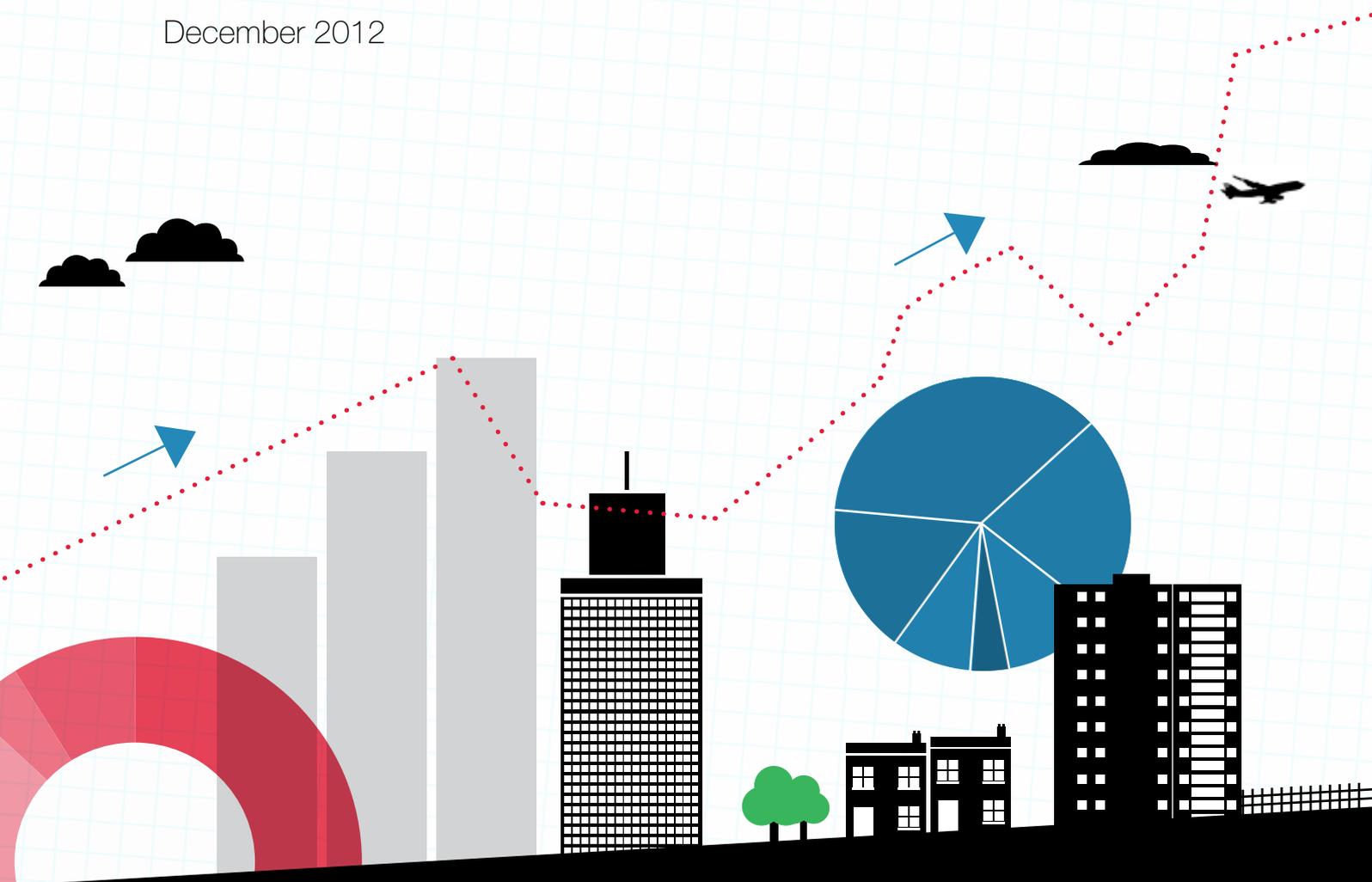
The homelessness monitor: Great Britain 2012

Executive Summary

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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 Great Britain. 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 reforms and public expenditure cutbacks being pursued by the UK Coalition Government elected in 2010, together with the implications of the housing, homelessness and other relevant policies of both the UK Government and the devolved administrations in Scotland and Wales.

This summary draws upon individual Homelessness Monitors that have been prepared for England, Scotland and Wales and will be published over Winter 2012/13. The first Northern Ireland Monitor will be available in Summer 2013. With future editions published annually, this series will track development until 2015.

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Executive Summary

Key points

- 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.
- This is therefore a very concerning time for homelessness in Great Britain: the weakening of welfare protection in a context of wider recessionary and housing market pressures is already having a negative effect on those most vulnerable to homelessness, with the prospect of much worse to come. In England specifically, policy measures which are weakening the housing safety net previously available to those in greatest need may further exacerbate homelessness.
- In England, both rough sleeping and statutory homelessness are on a sharp upward trajectory. The national rough sleeper ‘snapshot’ count rose by 23% between Autumn 2010 and Autumn 2011¹ – a more dramatic growth dynamic than anything seen since the 1990s. By June 2012, quarterly statutory homelessness acceptances in England had increased 34% on their end 2009 minimum. Temporary accommodation placements have also risen, with Bed and Breakfast hotel placements almost doubling over the past two years. There has been a particularly alarming rise in the numbers of households with children in Bed and Breakfast hotels, from 630 in March 2010 to 1,660 in March 2012. There is marked regional divergence in these patterns, with homelessness numbers in 2011/12 expanding most rapidly in the more pressurised housing markets of London and the South.
- Facilitated by a larger social housing stock than in England and in Wales, Scotland has taken a distinctive approach on homelessness in the post-devolution period, radically broadening its statutory safety net such that, by end 2012, all unintentionally homeless households will be entitled to settled housing. While this expansion in statutory entitlements prompted an initial rise in homelessness applications to Scottish local authorities, these have now been declining slowly since 2005/06, with a particularly sharp (19%) drop over the past year associated with the implementation of more pro-active prevention policies. There has also been a levelling off in temporary accommodation placements, after sustained upwards pressure over the previous decade saw the numbers in temporary accommodation in Scotland almost treble between 2001 and 2011. Possibly also as result of the expansion in statutory entitlements, both repeat statutory homelessness and rough sleeping appear to have declined over the past few years in Scotland. The underlying drivers of homelessness nonetheless appear to be on an upward trajectory, with the situation very likely to deteriorate as UK welfare reforms kick in.
- There is less data available on homelessness in Wales than in England or Scotland, with no national monitoring of levels of rough sleeping. Statutory

¹ At the time of writing, the Autumn 2012 figures were still to be published.

homelessness acceptances are trending upwards in Wales, albeit at a slightly more modest rate than in England, with acceptances having risen 17% over the past two years. Temporary accommodation placements are also on a rising trend (11% increase over the past two years). Wales seems likely to legislate in 2013 to strengthen the statutory duties on local authorities to prevent homelessness.

- Forms of ‘hidden’ homelessness – including concealed, overcrowded and sharing households – have been on a long-term broadly rising trend across Great Britain, starting before the current recession, and reflecting mainly housing access and demographic pressures. These dynamics have been strongest in England, as demonstrated, for example, by the marked increase in overcrowding since 2003, from 2.4% to 3.0% of all households. On the most recent figures 670,000 households are overcrowded in England.
- While transitional arrangements have helped to mitigate the impacts of welfare reform thus far, deepening benefit cuts are likely to have a much more dramatic impact on homelessness levels going forward. National benefit caps on Local Housing Allowance rates and on out-of-work (working age) households are generating by far the largest difficulties in central London; elsewhere in England and in Scotland and Wales greater concern focuses on the new ‘under-occupation penalty’ within Housing Benefit for working age social tenants. Across Great Britain there is anxiety about the extension of the Shared Accommodation Rate of Local Housing Allowance to 25-34 year olds living in the private rented sector, and about the impact on vulnerable homeless people of increased conditionality and more stringent sanctions within out-of-work benefits.
- In England specifically, the implementation of ‘Localism’ has weakened the national

‘housing settlement’ which has hitherto played an important role in mitigating 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 over time. Young people are the group most likely to be negatively affected by the move towards fixed-term social tenancies, while rent levels implied by an 80% of market ceiling, in combination with benefit caps, have raised particular concerns about the affordability of family-sized accommodation in London.

- Young people are particularly disadvantaged by the combined impact of rising unemployment, benefit cuts and (in England) the weakening of the housing safety net. If the Government removes under-25s from the remit of Housing Benefit then a serious rise in youth homelessness seems certain.

Introduction

This longitudinal study aims to provide an independent analysis of the homelessness impacts of economic and policy developments in Great Britain. Key areas of interest include the effects on homelessness of the ongoing economic recession and associated housing market downturn. The other main thrust of inquiry is the likely impacts of the welfare reforms and public expenditure cutbacks being pursued by the UK Coalition Government elected in 2010, together with the implications of the housing, homelessness and other relevant policies of both 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.

This summary report provides an account of how homelessness stands in Great Britain in 2012 (or as close to 2012 as data availability at the time of analysis will allow), and analyses key trends in the period running up to 2012. 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 Homelessness Monitors which have been prepared for England, Scotland and Wales and will be published over Winter 2012/13.² The first Northern Ireland Monitor will be available in Summer 2013. With future editions published

annually, this series will track developments until 2015.

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.

Causation and homelessness

The project is 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.³ 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, housing market trends and policies appear to have the most direct impact on levels of homelessness in European countries, with the influence of labour market change more likely to be lagged and diffuse, strongly mediated by welfare arrangements and other contextual factors.⁴ That said, there is evidence from Scotland specifically that economic deprivation may be at least as important a structural driver

² All reports will be available to download free of charge from <http://www.crisis.org.uk/policy-and-research.php>

³ Fitzpatrick, S. (2005) ‘Explaining homelessness: a critical realist perspective’, *Housing, Theory & Society*, 22(1):1-17.

⁴ Stephens, M., et al. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

of homelessness as housing market pressures.⁵

The individual vulnerabilities, support needs and ‘risk taking’ behaviours implicated in some people’s homelessness are themselves often rooted in the pressures associated with poverty and other forms of structural disadvantage.⁶ 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.⁷ Thus, deteriorating structural conditions in Great Britain could also be expected to generate more ‘individual’ and ‘interpersonal’ vulnerabilities to homelessness over time.

This conceptual framework informed our consideration of how the changing economic and policy context in Great Britain may affect the complex structural factors that can drive homelessness, including via impacts at the more individual and interpersonal level. Our key conclusions lie in the following areas:

- The homelessness implications of the post-2007 economic and housing market recessions.
- The homelessness implications of the UK Coalition Government’s welfare reforms.
- The homelessness implications of the housing, homelessness and other relevant policies of the UK Government and the devolved administrations in Scotland and Wales.
- Emerging homelessness trends across Great Britain.

The homelessness implications of the post-2007 economic and housing market recessions

Analyses of previous UK economic 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.⁸ These tend to be ‘lagged’ recessionary effects, and also rather diffuse ones, mediated by many intervening variables, most notably the strength of welfare protection. As social security systems, and especially housing allowances, are what usually ‘breaks the link’ between losing a job and homelessness,⁹ significant reform of welfare provisions is likely to be highly relevant to homelessness trends (see below).

The last major housing market recession actually *reduced* statutory homelessness¹⁰ because it eased access to home ownership, which in turn freed up additional social and private lets. However, no such benign impact of the current housing market downturn is likely, with levels of lettings available in the social rented sector now much lower across Great Britain¹¹ (due to the long term impact of the right to buy and continued low levels of new supply), and continuing constraints on mortgage availability also placing increasing pressures on the rented sectors.¹²

In this context, it is important to appreciate that frustrated ‘entry’ into independent housing by newly forming or fragmenting households is a much more important trigger of (statutory) homelessness than are forced ‘exits’ via rent or mortgage arrears.¹³ Thus, while much of the anxiety surrounding recessionary impacts on homelessness has focused on arrears-

5 Analysis of the Scottish Household Survey by Glen Bramley and Kirsten Besemer.

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

7 Lemos, G. & Durkacz, S. (2002) *Dreams Deferred: The Families and Friends of Homeless and Vulnerable People*. London: Lemos & Crane; and Tabner, K. (2010) *Beyond Homelessness: Developing Positive Social Networks*. Edinburgh: Rock Trust.

8 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.

9 Stephens, M., et al. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

10 See Table 90 in: Pawson, H. & Wilcox, S. (2012) *UK Housing Review 2011/12*. Coventry: CiH <http://www.york.ac.uk/res/ukhr/index.htm>

11 Pawson, H. & Wilcox, S. (2012) *UK Housing Review 2011/12*. Coventry: CiH.

12 Wilcox, S. (2011) ‘The Deposit Barrier to Home Ownership’ in Pawson, H. & Wilcox, S. (2011) *UK Housing Review 2010/11*. Coventry: CiH.

13 Pleace, N., et al. (2008) *Statutory Homelessness in England: The Experience of Families and 16-17 Year Olds*. London: CLG.

related repossessions and evictions, these factors continue to account for only a very small proportion of all statutory homelessness cases in all three countries (around 5% or 6%). 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 in the current recession (although they are now forecast to rise over the next three years),¹⁴ while rent arrears levels do not appear closely tied to general economic or housing market conditions. Qualitative evidence from England, Scotland and Wales also indicates that most repossessed households manage to find at least an interim solution via family or friends, or by securing a private tenancy.

Linked with this, it is clear that private renting is becoming increasingly important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless) and also, in England at least, as a cause of homelessness (with loss of fixed-term tenancies accounting for a rapidly growing proportion of statutory homelessness acceptances, particularly in London and the South of England).¹⁵ Private renting has expanded enormously across Great Britain over the past decade,¹⁶ and much depends on its capacity to expand yet further and absorb demand displaced from the other main tenures (albeit that it may not represent the preferred tenure of frustrated first time buyers or social renters). The capacity of the private rented sector to house those who are homeless and/or on low incomes is also of course heavily dependent on Housing Benefit and will therefore be fundamentally shaped by the Government's welfare reforms.

The homelessness implications of the Coalition Government's welfare reforms

As noted above, any radical weakening in welfare protection is likely to have damaging homelessness consequences. It should be emphasised that almost all aspects of the Coalition Government's welfare reforms are considered to be problematic with respect to their implications for homelessness, to a greater or lesser degree. However, within that context, the extent of these potential damaging impacts differs geographically across Great Britain.

In central London the introduction of the national benefit cap on Local Housing Allowance rates, in April 2011, is severely restricting access to housing for low-income households, with larger families worst affected.¹⁷ Evidence of these impacts is already apparent with, for example, the numbers of Local Housing Allowance claimants securing private rental accommodation in Kensington and Chelsea and in Westminster declining appreciably in the period since March 2011. Further contraction is to be anticipated as the transitional protection for existing Local Housing Allowance claimants continues to come to an end over the rest of this year.

There are even greater concerns about the potential impact of the national benefit cap for out-of-work (working age) households, due for implementation from April 2013, which will impact not just in central London and other relatively high cost areas, but more generally on larger families. One specific effect of both the Local Housing Allowance and household

¹⁴ Muellbauer, J. & Aron, J. (2010) *Modelling and Forecasting UK Mortgage Arrears and Possessions*. London: DCLG: www.communities.gov.uk/publications/housing/modellingarrearssummary

¹⁵ DCLG Statutory homelessness in England: October to December 2010: <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq42010>

¹⁶ Pawson, H. (2012) The changing scale and role of private renting in the UK housing market; in: Pawson, H. & Wilcox, S. (eds.) *UK Housing Review 2011/12*. Coventry: CiH.

¹⁷ London Councils (2010) *The Impact of Housing Benefit Changes in London – Analysis of Findings from a Survey of Landlords in London*. London: London Councils; Fenton, A. (2010) *How Will Changes to Local Housing Allowance Affect Low-income Tenants in Private Renting?* Cambridge: Cambridge Centre for Housing and Planning Research; and Wilcox, S. (2011) 'Constraining choices: the housing benefit reforms', in Pawson, H. & Wilcox, S. (2011) *UK Housing Review 2010/2011*. Coventry: CiH.

benefit caps in central London will be to drive up the number of 'out-of-area' placements of statutorily homeless families to cheaper parts of the country (see further below).¹⁸

In northern England, Scotland and Wales, on the other hand, greatest concern focuses on the new 'under-occupation penalty' within Housing Benefit for working age social housing tenants, due for implementation from April 2013,¹⁹ and estimated to impact on 540,000 social tenants in England, around 90,000 social tenants in Scotland, and about 36,000 in Wales. A fundamental difficulty in these weaker housing market regions is that the social housing stock profile simply does not allow for the 'shuffling down' of affected households into accommodation of an 'appropriate' size. In particular, many social landlords have a very limited supply of one bedroom accommodation (other than in sheltered schemes). Consequently, it is difficult to envisage how a resultant, and very substantial, increase in rent arrears and/or homelessness can be avoided.²⁰

The extension of the Shared Accommodation Rate of Local Housing Allowance to single claimants aged 25-34 year olds, from January 2012, was viewed by key informants in all parts of Great Britain as '*disastrous*', and a step-change that involved '*crossing a line*' rather than just an incremental adjustment. It was reported to be increasing pressure on an extremely limited supply of shared accommodation in many areas, and risks forcing vulnerable people into inappropriate shared settings (even with the concession for former hostel residents).²¹

Likewise there was widespread anxiety about increased conditionality and tougher sanctions within the Jobseeker's Allowance and Employment Support Allowance regimes, which are said to be impacting negatively on homeless people with chaotic lifestyles,²² who are struggling to meet the new stipulations. This group were also said not to be getting a good service from the Work Programme prime contractors.

There was some support amongst our key informants in all of the nations of Great Britain for the principles of Universal Credit, due for introduction from October 2013, particularly the flexibility it offers for people to work for a small number of hours and still be better off. However, there are many issues involved in the design of Universal Credit, not least the formidable logistical challenge in integrating the tax and benefit IT systems. There is also widespread anxiety regarding the Government's expectation that claimants will apply for Universal Credit online, and about the potential budgeting difficulties associated with paying very low income and vulnerable households monthly in arrears. There are concerns about the lower values of the benefits to be provided for lone parents and larger families, partly resulting from the structural characteristics of Universal Credit, and partly reflecting other benefit cuts already introduced since 2010. The other main source of concern focuses on the intention to incorporate the rent element of Universal Credit within the overall payment – rather than (in general) making it a detachable component which could be paid direct to social landlords – with potential implications for rent arrears, evictions and ultimately homelessness.

18 Garvie, D. (2012) 'Location, location: how localism is shunting homeless families out', *The Guardian* 7th February, <http://www.guardian.co.uk/housing-network/2012/feb/07/location-localism-homeless-families-shelter>; Butler, P. (2012) 'Beyond cynical': ministers, housing benefit cuts, and homelessness', *The Guardian*, 13th November: <http://www.guardian.co.uk/society/patrick-butler-cuts-blog/2012/nov/13/beyond-cynical-ministers-housing-benefit-cuts-homelessness>

19 Pawson, H. (2011) *Welfare Reform and Social Housing*. York: Housing Quality Network.

20 This will raise particular difficulties for Scottish local authorities as all single people, as well as families with children, made 'unintentionally' homeless by this welfare cut will be entitled to be rehoused under its broadened statutory homelessness safety net (see below).

21 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.

22 An overview of the complex issues that some single homeless people face is captured in Fitzpatrick, et. al. (2011) 'Multiple Exclusion Homelessness in the UK: Key patterns and intersections', *Social Policy and Society*, 10 (4): 501-512.

Also potentially important across Great Britain is the trend towards ‘decentralisation’ of certain welfare measures. This pertains to: the locally distributed enhanced Discretionary Housing Payment funds,²³ intended to ameliorate the worst impacts of mainstream Housing Benefit cuts; the abolition of key elements of the Social Fund and its replacement with new discretionary local welfare schemes, with no ring-fence applied to these funds;²⁴ and the exclusion of Council Tax Benefit from the new Universal Credit regime, with local authorities instead charged with devising their own schemes from 2013/14 in the context of a 10% reduction in the relevant financial support.²⁵ Such heavy reliance on discretionary, localised arrangements to play a major role in supplementing the underlying national welfare system must be seen as inherently challenging, and problematic.

Young people have been particularly badly affected by welfare reforms and benefit cuts (particularly the Shared Accommodation Rate extension and uprating of non-dependent deductions from Housing Benefit), as well as by rising unemployment. In England specifically, they are likely to be disproportionately affected by the weakening of the housing safety net (see below). This is a critical issue with respect to the likely implications for homelessness as younger age cohorts – both young families with children and young single people – tend to be far more vulnerable to homelessness than older age groups. Certainly, if borne out, the indications that the Government will remove under-25s from the remit of Housing Benefit²⁶ will surely mean a very serious rise in youth

homelessness.

The homelessness implications of the UK and devolved Governments’ housing and homelessness policies

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 poverty league tables.²⁷

Three key housing policy instruments appear to contribute to these relatively good housing outcomes for low income households 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 ‘priority’ categories of those in the most acute housing need by obliging local authorities to secure accommodation for them.²⁸ The significant reforms to Housing Benefit at UK level have been noted above; the latter two areas of policy have diverged significantly across Great Britain since devolution in 1999, and so are discussed for each country separately below.

²³ DHPs are top-up housing benefit payments to close or eliminate the gap between a household’s Local Housing Allowance (LHA) entitlement and the rent being demanded by their landlord. Local authorities have been provided with an increase in their budgets for DHPs in order to ameliorate the impact of the LHA in some cases.

²⁴ The Scottish Government has announced the creation of the Scottish Welfare Fund (SWF) to replace the Social Fund currently operated by the UK Government. The SWF will administer Community Care Grants and Crisis Grants, and the Scottish Government claims that it will ‘reinststate funding cuts by Westminster in recent years as a result of changes to UK welfare rules’. <http://www.scotland.gov.uk/News/Releases/2012/10/protecting-poorest21102012>

²⁵ Adam, S. & Browne, J. (2012) *Reforming Council Tax Benefit*. York: JRF. It should be noted that the Scottish Government and the Convention of Scottish Local Authorities (COSLA) have now agreed to cover the £40 million cost of these cuts in 2013-14. <http://www.scotland.gov.uk/News/Releases/2012/04/counciltax19042012>

²⁶ Prime Minister. (2012) *Welfare Speech* 25th June <http://www.number10.gov.uk/news/welfare-speech/>

²⁷ 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.

²⁸ Fitzpatrick, S. & Stephens, M. (eds.) (2008) *The Future of Social Housing*. London: Shelter.

England

By the end of the Labour Government's period in office, in 2010, there had been some important achievements on homelessness in England.²⁹ In particular, there had been a sustained large reduction in levels of recorded rough sleeping, and an unprecedented decline in statutory homelessness from 2003, associated with a step-change in Ministerial priority accorded to homelessness prevention. These Labour era 'gains' were based largely on centrally-driven policies and national minimum standards. However, Coalition policies associated with the Localism Act (2011), alongside the Government's broader welfare reform agenda, risks jeopardising some of these achievements on homelessness responses, and the protective national 'housing settlement' more broadly.

In particular, moves towards fixed-term 'flexible' tenancies in social housing, and rents at up to 80% of market levels, will in time weaken the sector's safety net function, with the latter particularly problematic in terms of deepening the 'poverty trap' for social tenants. The removal of security of tenure from new social tenants may also impact negatively on community stability (given the resultant higher turnover) and work incentives (given indications that financial means is one criterion that may be taken into account in social tenancy (non-renewals)).³⁰ And the local restriction of social housing eligibility risks damagingly excluding some marginalised groups from the sector.³¹ Young people seem likely to be the group worst affected by both restrictions on eligibility and by limitations placed on tenure security.

New local authority powers to discharge the statutory homelessness duty into 'suitable' fixed-term private tenancies³² without the applicant's consent have raised concerns about the quality and appropriateness of the accommodation offered to families with children in particular, given the pressure on local authorities to procure properties that are affordable under the new Local Housing Allowance restrictions. Recent reports have suggested that Government advisors may be encouraging local authorities to move to a position of 'full policy implementation' whereby they seek to end virtually all statutory homelessness duties via such 'compulsory' discharge of duty into the private rented sector (including use of long distance out-of-area placements as necessary), while at the same time giving statutorily homeless households the lowest possible (lawful) reasonable preference in social housing allocations.³³ Such a 'breaking of the link' between statutory homelessness and social lettings appears designed to render minimal the number of new homelessness applications, and thus reduce the significance of the statutory safety net over time. Given the risks attached to these changes there is a strong case for an in-depth evaluation of their implementation and impacts.

Also relevant here are changes in arrangements for housing support services for a range of vulnerable groups, including homeless people. The introduction of the Supporting People funding stream in 2003 was central to the expansion of homelessness resettlement services

²⁹ Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) (2009) *Homelessness in the UK: Problems and Solutions*. Coventry: CiH.

³⁰ Garvie, D. (2012) *Local Decisions on Tenure Reform. Local Tenancy Strategies and the New Role of Local Housing Authorities in Leading Tenure Policy*. London: Shelter. http://england.shelter.org.uk/_data/assets/pdf_file/0003/578109/Local_decisions_on_tenure_reform_full.pdf. See also the recently closed 'Pay to Stay' consultation by Government on charging higher rents to high income social tenants, albeit that the Government's stated intention is to set the income threshold high enough to avoid 'perverse incentives' which penalise work aspirations. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8355/2160581.pdf

³¹ Fitzpatrick, S. & Stephens, M. (2007) *An International Review of Homelessness and Social Housing Policy*. London: CLG.

³² Homelessness (Suitability of Accommodation) (England) Order 2012 (SI 2012/2601)

³³ Butler, P. (2012) 'Beyond cynical': ministers, housing benefit cuts, and homelessness', *The Guardian*, 13th November <http://www.guardian.co.uk/society/patrick-butler-cuts-blog/2012/nov/13/beyond-cynical-ministers-housing-benefit-cuts-homelessness>

³⁴ Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) (2009) *Homelessness in the UK: Problems and Solutions*, Coventry: CiH.

across the UK.³⁴ However, with the 2009 abolition of Supporting People ring-fencing in England,³⁵ local authorities were freed to divert these funds to other local priorities. Though implemented under the previous administration, this reform is highly consistent with the current Government's Localism agenda and, in combination with national Supporting People budget cuts (amounting to a national 12% reduction over four years), has already negatively impacted on the front-line services available to homeless people, with the prospect of more significant cuts to come in many areas.³⁶

More positively, the Ministerial Working Group on Homelessness established by the post-2010 Government has initiated a range of targeted measures on addressing rough sleeping³⁷ – most notably the national roll out of the No Second Night Out approach – and on homelessness prevention in England.³⁸ There has also been protection given to Government funding for local authority homelessness prevention projects.³⁹ However, it seems likely that these efforts will be overwhelmed by the damaging effects of the much larger economic and policy forces discussed above.

Scotland

Both housing and homelessness policies are devolved functions and Scottish policy has now diverged significantly from that in England in ways which are, broadly speaking, likely to assist in protecting homeless people.

Scotland retains a larger social rented sector than England (accounting for 24% of all Scottish housing stock as compared with 17%

in England and Wales), and there are no plans to end security of tenure for social tenants or to move towards rent increases of the order emerging under the English 'Affordable Rent' regime. Housing lists must be open to all over 16s, and allocation of social housing is more tightly regulated by national legislation than is the case in England (although the Scottish Government has recently consulted on giving some greater 'flexibilities' to social landlords in how they allocate and manage social housing, with a new Housing Bill expected in 2013).⁴⁰

Despite substantial budget cuts the Scottish Government aims to provide some 30,000 new 'affordable' homes over six years, of which two thirds will be for social rent. This will be challenging given the marked fall in the level of starts on new social sector housing in 2011. The future of the right to buy in Scotland is currently under review. However, whatever view is taken on the future of the scheme, past sales will have a continuing impact on the level of available social sector lettings over the next decade.

Probably the area of housing policy in which Scotland's approach is most distinctive is on homelessness itself. Since devolution in 1999, Scotland has opted to strengthen its statutory homelessness safety net far beyond anything contemplated elsewhere in the UK, most notably with respect to the gradual expansion and eventual elimination of the 'priority need' criterion within statutory homelessness assessments.⁴¹ This means that, by the end of 2012, all unintentionally homeless people in Scotland will be entitled to settled housing. This ambitious commitment has attracted

³⁵ Supporting People funds are likewise no longer ring fenced in Scotland; arrangements are different in Wales (and in Northern Ireland). See Chapter 1 in Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) (2009) *Homelessness in the UK: Problems and Solutions*. Coventry: CiH.

³⁶ Homeless Link (2012) *Homeless Watch. 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/SNAP2012%20fullreport.pdf>

³⁷ DCLG (2011) *Vision to End Rough Sleeping: No Second Night Out Nationwide*. London: DCLG.

³⁸ DCLG (2012) *Making Every Contact Count: A Joint Approach to Preventing Homelessness*. London: DCLG: <http://www.communities.gov.uk/publications/housing/makingeverycontactcount>

³⁹ Pawson, H. & Wilcox, S. (2012) 'Housing expenditure trends and plans', in *UK Housing Review 2011/12*. Coventry: CiH.

⁴⁰ Scottish Government (2012) *Affordable Rented Housing: Creating Flexibility for Landlords and Better Outcomes for Communities*. <http://www.scotland.gov.uk/Publications/2012/02/9972/5>. Much of what is proposed is detailed and uncontroversial, although the Scottish Government seems likely to require social landlords to grant a 'probationary' Short Scottish Secure Tenancy to all new tenants of social housing, primarily as a mechanism for dealing with anti-social behaviour.

⁴¹ Anderson, I. (2009) 'Homelessness policy in Scotland: A complete state safety net by 2012?', in Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) *Homelessness in the UK: Problems and Solutions*. Coventry: CiH.

international plaudits for providing statutory protection to all homeless people,⁴² including single people.

However, the expansion of statutory homelessness entitlements has posed significant challenges for many Scottish local authorities, manifest in significantly growing pressure on both temporary accommodation (see below) and permanent social housing stock over the past decade. In response, the Scottish Government has encouraged a much stronger recent emphasis on homelessness prevention, along the lines of the English 'housing options' model,⁴³ which seems to be having as significant impact as it did in England when introduced almost a decade earlier.⁴⁴ Also as in England, however, views differ on the extent to which these positive trends in statutory are wholly attributable to 'genuine' homelessness prevention, or may to some extent reflect increased local authority 'gatekeeping'.⁴⁵

Despite the evident challenges, there appears to be general cross-sectoral support in Scotland for both the longstanding 2012 commitment, and for this more recent shift towards a housing options preventative approach. There are widespread reports of a positive culture change in local authority homelessness services over the past decade which is said to have benefited single applicants in particular.

Wales

The 1999 devolution settlement gave limited legislative powers to Wales, and it was only recently that it has effectively been devolved the powers to amend legislation across a wide range of policy areas, including most aspects of housing policy.

Wales also has a far less favourable financial devolution settlement, compared to Scotland, particularly in respect of council housing finances where it continues to make payments (£68 million in 2012/13) of rental 'surpluses' to HM Treasury. It has not yet been able to negotiate a buy out of those arrangements, along the lines achieved in England, let alone secure equal treatment with Scotland that has never had to make such payments (dating back to differences in 1989 legislation for Scotland, compared to that for England and Wales).

Within that constrained context the Welsh Government gave a relatively low priority to housing investment in the decade following the 1999 devolution settlement, with its overall housing expenditure falling to a much lower level than in either England, or Scotland, as a proportion of overall Government spending.

There was a boost in investment in new housing in recent years, and particularly in 2008/09, through additional programmes to bolster the economy, as well as a programme to increase the supply of housing for older households. However provision for investment in new housing is now set to fall from £88.5 million in 2012/13, to £59.1 million in each of the next two years. This is predominantly for social housing, but also includes a small programme for 'intermediate rent'.

There have been significant recent developments specifically on homelessness policy in Wales. In 2011 the Welsh Government commissioned a review of the homelessness legislation⁴⁶ which proposed a 'housing solutions' model of change that would see the primary focus of local authority duties switch to preventative interventions which

⁴² Anderson, I. (2009) 'Homelessness policy in Scotland: A complete state safety net by 2012?', in Fitzpatrick, S., Quilgars D. & Pleace, N. (eds.) *Homelessness in the UK: Problems and Solutions*. Coventry: CiH.

⁴³ Pawson, H., et. al. (2007) *Evaluating Homelessness Prevention*. London: CLG: <http://www.communities.gov.uk/publications/housing/prevention-homelessness>; and Pawson, H., Netto, G. & Jones, C. (2006) *Homelessness Prevention: A Guide to Good Practice*. London: DCLG: <http://www.communities.gov.uk/publications/housing/homelessnessprevention>

⁴⁴ As they did in England, see Pawson, H. (2007) 'Local authority homelessness prevention in England: Empowering consumers or denying rights?', *Housing Studies*, 22(6): 867-884.

⁴⁵ See Pawson, H. (2007) 'Local authority homelessness prevention in England: Empowering consumers or denying rights?', *Housing Studies*, 22(6): 867-884.

⁴⁶ For more information see Cardiff School of City and Regional Planning <http://www.cplan.cf.ac.uk/homelessness/>

would precede the assessment of entitlements under the existing statutory homelessness system. This proposed new approach would entail a duty on local authorities ‘to take all reasonable steps to achieve a suitable housing solution for all households which are homeless or threatened with homelessness.’ local authorities would have a duty to provide interim accommodation if the household concerned had ‘nowhere safe to stay’ during the investigation of potential housing solutions. The review recommendations have been fully incorporated into official proposals,⁴⁷ alongside a commitment to remove the ‘intentionality’ test for families with children by 2019. These measures will almost certainly be included in the first ever Welsh Housing Bill, scheduled for introduction to the National Assembly for Wales in autumn 2013.

Emerging statistical trends

The available data on homelessness varies across the countries of Great Britain, and the trends in homelessness indicated by these data vary considerably, as now discussed.

England

There have been some recent very sharp increases in ‘visible’ forms of homelessness in England. Thus a gradual decline in rough sleeping until 2007/08 was reversed in the most recent period, with this turnaround particularly marked in the South.⁴⁸ The national rough sleeper numbers rose by 23%, from 1,768 in autumn 2010 to 2,181 in autumn 2011 – a more dramatic growth dynamic than anything seen since the 1990s. There has

been a 43% rise in recorded rough sleeping in London over the past year.⁴⁹ However, most likely associated with the impact of ‘No Second Night Out’,⁵⁰ a declining proportion of new rough sleepers appear to be falling into long-term street homelessness in the capital.

After falling for six years, as a result of more active homelessness prevention practices,⁵¹ statutory homelessness numbers bottomed out in late 2009. In the following two and a half years the quarterly total has risen by 34%.⁵² This means that the number of households accepted as statutorily homeless in England rose from 40,020 in 2009/10 to 50,290 in 2011/12. This recent increase in statutory homelessness has disproportionately affected families with children. Temporary accommodation placements have also started to rise, with overall Bed and Breakfast hotel placements almost doubling in the two years to March 2012 (from 2,050 to 3,960). Rising numbers of households with children in Bed and Breakfast hotel placements have been even more concerning, from 630 in March 2010 to 1,660 in March 2012.

Starting in the early 2000s and continuing through the post-2007 downturn, forms of ‘hidden’ homelessness have also been on a broadly upward trajectory in England. Thus, the number of *concealed households*,⁵³ which was static or in decline during the 1990s and into the early 2000s, has shown signs of recent increases.⁵⁴ There were an estimated 1.54 million *concealed households* involving single people in England in 2012, as well as 214,000 concealed couples and lone parents.

⁴⁷ Welsh Government (2012) *Homes for Wales. A White Paper for Better Lives and Communities*. Cardiff: Welsh Government: <http://wales.gov.uk/consultations/housingcommunity/housewhitepaper/?lang=en>

⁴⁸ Sources: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns; Summer 2010 onwards – DCLG.

⁴⁹ Source: Broadway ‘Street to Home’ monitoring reports (<http://www.broadwaylondon.org/CHAIN/Reports/StreettoHomeReports.html>) supplemented by unpublished data provided by Broadway.

⁵⁰ DCLG (2011) *Vision to End Rough Sleeping: No Second Night Out Nationwide*. London: DCLG.

⁵¹ Pawson, H. (2009) ‘Homelessness policy in England; Promoting gatekeeping or effective prevention?’ in: Fitzpatrick, S. (ed.) *Homelessness Problems, Policies and Solutions*. Coventry: CiH.

⁵² DCLG statistics: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/homelessnessstatistics/livables/>

⁵³ ‘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.

⁵⁴ Labour Force Survey

After a long-term decline, there was an increase in the number of *sharing households*⁵⁵ in the period 2007-2010, probably consequent on constrained access to housing following the credit crunch. Extending the Shared Accommodation Rate to 25-34 year olds may further increase the number of households sharing, but with the strong demand pressures on a limited supply of shared accommodation,⁵⁶ it seems likely that many of those affected will become 'concealed households' instead. *Overcrowding*⁵⁷ has increased markedly in England since 2003, from 2.4% to 3.0% of all households, reversing previous declining trends. On the most recent figures 670,000 households were overcrowded in England, heavily concentrated in the rental sectors.

There is marked regional variation with respect to trends in both visible and hidden forms of homelessness across England, with more rapidly growing homelessness numbers in London and the South apparently reflecting more intense housing market affordability and demographic pressures in these regions. This is consistent with recent indications of a re-emerging North-South divide in both housing and labour markets in the UK. Possibly linked to this, there is also considerable regional diversity on the causes of homelessness. In particular, while statutory homelessness resulting from termination of Assured Shorthold Tenancies rose by 103% across England in the two years to 2011/12, this ranged from only 11% in the North East to 156% in London.

It is important to recognise that the upward

trends in both visible and hidden forms of homelessness in England as described above appear to have taken hold prior to implementation of most of the planned restrictions on welfare entitlements and other policy reforms likely to have a strongly negative impact on homelessness.

Scotland

Largely as a result of the policy measures described above, emerging statistical patterns on homelessness in Scotland appear sharply different to those in England (above) and Wales (below). Thus, after a surge in *statutory homelessness* applications and acceptances in the early part of the decade, as the expansion in entitlements of non-priority households commenced, statutory homelessness in Scotland has been declining slowly since 2005/06.⁵⁸ There has been a particularly sharp (19%) drop in the number of homelessness applications over the past year, from 55,663 in 2010/11 to 45,322 in 2011/12. There has also been a levelling off in temporary accommodation placements, after sustained upwards pressure over the past decade, which saw the 'snapshot' number of households in temporary accommodation at the end of the financial year almost trebling from 4,060 in 2001 to 11,254 in 2011, before dropping back to 10,743 in 2012.

In contrast with official practice in England, the Scottish Government maintains no regular *rough sleeper* 'headcount'. Instead, the scale of rough sleeping is monitored through the statutory homelessness recording system. According to these local authority returns, 1,931 people applying as homeless

⁵⁵ '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. This means that many people who are 'flatsharers' in the common usage of the term or who are 'sharing' in the sense of being subject to the SAR, as well as many students, are not 'sharing households' in this sense, mainly because they have a common living room (including larger kitchens) and/or they share some meals. In this analysis, such groups are considered 'concealed households'. In practice, the distinction between 'concealed' and 'sharing' households is a very fluid one.

⁵⁶ 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.

⁵⁷ '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.

⁵⁸ Operation of the Homeless Persons Legislation in Scotland: Quarterly Update <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables/operationofhomelesspersonslegislationpublicationap>

in 2011/12 reported having slept rough the night preceding their application; a figure which is 43% lower than that four years previously (3,394). Rough sleeping appears to have declined not only in absolute but also in proportionate terms (the percentage of applicants reporting that they slept rough the night prior to application dropped from 5.9% in 2007/08 to 4.3% in 2011/12). Repeat statutory homelessness likewise appears to be in decline in Scotland: the percentage of statutory homelessness assessments identified as repeat cases has fallen from 9.8% in 2002/03 to 5.8% in 2011/12. These positive trends seems likely to be associated with the expansion in statutory rehousing entitlements for single people.⁵⁹

With respect to potential 'hidden' forms of homelessness in Scotland, the number of *concealed households* has been fairly static in recent years, with a slight decline in 2010 partially reversed in the subsequent period. In 2012 there are an estimated 160,000 households containing at least one concealed single household, involving around 200,000 individuals in total. This is in addition to approximately 12,000 concealed lone parent/couple families. Relatedly, there has been a slowdown in new household formation, particularly in the 25-34 group, although this is less marked in Scotland than in England. After a long-term decline, there has been an increase in the number of *sharing households* in the last two years. Both the decline, and the subsequent rise, of this indicator have been more marked in Scotland than elsewhere in the UK. In 2012 around 50,000 households in Scotland shared, mainly in the private rented sector. *Overcrowding* has continued to affect around 50,000 (2% of) households in Scotland over the last decade, with no general trend to improvement, though nor has there been the pronounced deterioration evident in England.

Overcrowding is much more common in the rental sectors than in owner occupation across the UK, and within Scotland is also more associated with deprived areas and to some extent with urban areas.

These more positive, or at least more mixed, Scottish trends on homelessness as compared with England reflect both the impact of targeted homelessness policies, with some associated changes in recording practices, and also a somewhat less pressured housing market context than south of the border. That said, housing market stress is continuing to intensify in Scotland, and underlying housing-market related drivers of homelessness appear on an upward trajectory in Scotland. There is some evidence to support this proposition from the Scottish Household Survey which indicates that the proportion of Scottish adults reporting that they had ever been homeless rose throughout the period 2001 to 2008, from 3.2% to 6.9%.

Wales

There is far less data available on homelessness in Wales than in England or Scotland, and no national monitoring of levels of rough sleeping. After a sharp decline between 2004/05 and 2009/10, associated with the adoption of more proactive preventative approaches by Welsh local authorities, statutory homelessness acceptances have been trending upwards in Wales since 2009/10,⁶⁰ albeit at a slightly more modest rate than in England. Acceptances have risen 17% over the past two years (from 5,565 to 6,515), with a particularly sharp rise in 2010/11.⁶¹ Temporary accommodation placements are also on a rising trend (11% increase over the past two years). In Wales, as in England and Scotland, the profile of statutorily homeless households appears relatively stable overall, though there has been

⁵⁹ Though it is worth bearing in mind that, in sharp contrast to England, the majority of those accepted as statutorily homeless in Scotland were single people (mainly single men) even before the expansion of priority need commenced post 2003.

⁶⁰ Welsh Government Statistics: <http://wales.gov.uk/topics/statistics/theme/housing/homeless/?jsessionid=4CEAF99D6B9AE595CC3976514C6AB65C?lang=en>

⁶¹ Interestingly, Citizens Advice in Wales also reported an especially sharp increase in homelessness-related inquiries between 2009/10 and 2010/11, with a particularly large rise in cases associated with private rental arrears. It is not entirely clear why there should have been such an upsurge in that particular financial year.

a continued growth in both the relative and absolute importance of institutional release (overwhelmingly from prison) as an immediate cause of homelessness.

As regards potential 'hidden' forms of homelessness in Wales, the number of *concealed households* has been fairly static, with a certain decline in 2010 partially reversed in 2012. In 2012 there are an estimated 91,000 households containing at least one concealed single household in Wales, involving 119,000 individuals. This is in addition to approximately 10,000 concealed lone parent/couple families. There has been a some slowing down in new household formation, particularly in the 25-34 group, mainly because of affordability and access problems, although this is less marked in Wales than in England. After a long-term decline, there has been an increase in the number of *sharing households* in Wales in the last two years. The decline, and then subsequent rise, of this indicator has tracked trends in UK but at a slightly lower level. In 2012 there were about 16,000 households sharing in Wales (1.2%). On the most recent figures, *overcrowding* affected around 26,000 households (2.0%) in Wales, and appeared to be much more common in social renting.

The homelessness monitor: tracking the impacts on homelessness going forward

Looking forward, the next three years will be a crucial period over which the intensifying homelessness impacts of the recession are likely to be severely exacerbated by the Government's radical welfare reforms. At the same time, housing market pressures seem unlikely to ease in any of the UK nations, given worsening access to home ownership for

first-time buyers, which in turn is increasing demand for both of the rental sectors (though the response of the private rented sector is an important unknown).

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 recession and welfare reform are played out over the next couple of years. Likewise, patterns in each of the UK jurisdictions will be closely monitored, with a particular emphasis on regional patterns in England.

One final point to note is that, while there has been much media speculation about 'middle class homelessness', there is nothing in the qualitative or quantitative data collected for this study so far to suggest that the nature of homelessness or the social profile of those affected has substantially altered in the current economic climate. On the contrary, all of the indications are that the expanding risk of homelessness is heavily concentrated, as always, on the poorest and most disadvantaged sections of the community, who lack the financial and/or social 'equity' that enables most people to deal with work or relationship crises without becoming homeless.

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

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