



HIDDEN HOMELESSNESS BRITAINS INVISIBLE CITY

Background Information

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CONTENTS

Introduction

Hidden Homelessness

The problem with official figures

Crisis' estimate of the numbers of Hidden Homeless people

Crisis' estimate of the cost of Hidden Homelessness

The idea behind The Hidden Homeless Census

Introduction

This briefing is designed to accompany the Crisis report *Hidden Homelessness, Britain's Invisible City*. It provides a definition of Hidden Homelessness, background information on the key figures in the report and a brief look at what we mean by a Hidden Homeless Census.

Homelessness is growing. Last year, 200,000 households were accepted by their local authorities as being homeless, up from 160,000 in 1997¹. But these figures only tell part of the story. As well as those who are recorded as homeless by local authorities there are thousands of others whose homelessness goes unrecognised. We call these Hidden Homeless people. The vast majority are single people, living in hostels, bed and breakfast accommodation, squats and derelict buildings and sleeping on the floors of friends and family.

Crisis has estimated that there may be as many as 380,000 Hidden Homeless people in the UK. This is a population almost equal in size to the city of Manchester and one that looks set to grow. Many of them are amongst the most vulnerable people in our society and their continued homelessness is costing an estimated £1.4 billion each year.

Hidden Homelessness is a problem that can be solved but the first step is to recognise and understand the true nature and scale of the problem that we face. Over the last few years there have been audits of many of the major social problems in our society and it is time that we shone the spotlight on the problem of Hidden Homelessness and gave Hidden Homeless people the priority that they deserve. For this reason, Crisis has made a Hidden Homeless Census the key call of its campaign. A census will provide us with the information that we need to tackle Hidden Homelessness once and for all.

¹ ODPM Statistical Release entitled "Statutory homelessness: England fourth quarter 2003, table 1."

Hidden Homelessness

Rough sleepers are the most visible part of the homelessness population. However they form the tip of an iceberg with hundreds of thousands of homeless people living in squats, hostels, bed and breakfast accommodation and sleeping on the floors of friends and family – these are Hidden Homeless people.

The vast majority of Hidden Homeless people are single people or couples without dependent children. For the most part, they go unrecognised by official homelessness figures and because they are not on the streets they are easily overlooked by opinion formers and policy makers.

The problem with official figures

The focus of government statistics is on statutory homelessness. This is a narrow concept as it requires the person to have applied to their local authority to be classified as homeless. Given that around half of single people who are accepted as statutorily homeless are still refused housing on priority grounds, many choose not to approach local authorities for help. Others are simply unaware of their entitlements or too vulnerable to make an application.²

² Robinson and Coward (2004), *Your Place Not Mine, The experiences of homeless people staying with family and friend*, Crisis p36

The Hidden Homelessness figures explained

Crisis estimates there are around 380,000 Hidden Homeless people. Around a quarter are staying either in hostels, bed and breakfast accommodation or facing imminent threat of eviction on the grounds of debt. The remaining three quarters form what are known as concealed households, residing with friends or family, without any explicit right to do so and in accommodation which is in some way unsatisfactory.

The table below provides estimates of the numbers of Hidden Homeless people.³

Group	Estimated number
Those who have been provided with supported housing (hostels/YMCAs/shelters) and not considered statutory homeless	Around 25,000
Bed and breakfast and other boarded accommodation and in receipt of Housing Benefit	Around 50,000
People at imminent risk of eviction due to rent arrears	Around 2,000
Squatters	Up to 10,000
Concealed households sharing overcrowded accommodation with family or friends: (people who neither own nor rent the property they are living in and are neither the spouse, partner nor dependent child of the owner/renter)	170,000 – 220,000
Concealed households sharing accommodation with family or friends which is not overcrowded but where the head of household deems the arrangement unsatisfactory	55,000 – 70,000
Total numbers	310,000 to 380,000

³ Kenway P. and Palmer G. (2003), *How Many How Much?* Crisis p24

Rising numbers of Hidden Homeless people

The numbers of homeless people without dependent children accepted by local authorities as statutorily homeless rose by 12,000 a year between 2000 and 2003.⁴ If the numbers of Hidden Homeless people increase at the same proportional rate in the future, then their numbers could reach around 1,000,000 by 2020.

Type of figure	Year	Estimated numbers of 'hidden homeless' without dependent children	Comments
Crisis estimate	2003	380,000	From <i>How many, how much</i>
If trends follow those for numbers accepted by local authorities as homeless	2010	620,000	Assumes proportional trends follow those for the numbers without dependent children accepted by local authorities as homeless in the years 2000 to 2003
	2020	960,000	

Comparisons with cities

The figures used in the report are based upon the 2001 Census published by the Office of the National Statistics⁵

⁴ ODPM Statistical Release entitled "statutory homelessness: England fourth quarter 2003, tables 1 and 4, assuming that all the households judged not to be in priority need had no dependent children., On this basis, the figures were 97,000 in 2000 and 134,000 in 2003.

⁵ <http://www.statistics.gov.uk/census2001/pyramids/printV/00BN.asp>
<http://www.statistics.gov.uk/census2001/pyramids/printV/00CN.asp>

The Cost of Hidden Homelessness

Hidden Homeless people do not necessarily directly incur costs, either to the State or to themselves. For example, someone living with their parents in overcrowded conditions – although clearly not a satisfactory nor sustainable situation – may well not incur any direct additional costs that would not be incurred if they were in alternative accommodation.

Rather, the majority of the costs are likely to be incurred once the person’s situation moves towards crisis point in terms of either them applying to be classified as statutorily homeless or moving to types of accommodation (e.g. hostels) which have a clear and direct cost to the State.

The main potential exception to this concerns lack of paid work – if lack of paid work is more prevalent among Hidden Homeless people than then this directly incurs costs both to themselves (through lost income) and to the State (though both lost taxes and increased out-of-work benefits).

The table below provides an estimate of the annual costs of Hidden Homelessness. Note that these estimates are conservative: they exclude areas of cost where no firm data is available (e.g. support services and resettlement costs) and the work-related costs assume that people would only be earning around the minimum wage if they were working.

Cost category	Cost element	Broad annual scale of cost
Temporary accommodation	Local authority homelessness services	£100 million
	People in hostels	£500 million
	Housing benefit for those in bed-and-breakfast	£100 million
Health, police and criminal justice services		£100 million
Lack of paid work	Lost income to the individuals (plus lost taxes to the State)	£450 million
	Savings in out-of-work benefits	£150 million
Total		£1.4 billion

Each of the figures in the table above is discussed below.

Temporary Accommodation

ODPM estimates that English local authorities spend around £200 million per year on homelessness services.⁶ Given that around half of those accepted as statutorily homeless and in priority need do not have dependent children, this represents an estimated expenditure of around £100 million per year to support such people.

How many, how much estimated that there were at least 25,000 people without dependent children living in hostels on a non-permanent basis at any one time and that the average cost of a hostel place was £400 per week. Multiplying these two figures gives a total estimated cost of around £500 million per year.

⁶ ODPM 2001/02 Ro6 form: the net current expenditure in 2001/02 was £186 million.

How many, how much estimated there were around 50,000 people without dependent children at any one time who were both in bed and breakfast accommodation and in receipt of housing benefit. The average amount of housing benefit is around £40 per week. Multiplying these two figures gives an estimated cost of around £100 million per year.

There are no direct accommodation costs arising from people staying with family or friends.

Health Services, Police and Criminal Justice

ODPM estimates that around 20,000 households per year are accepted as statutorily homeless and in priority need because of a violent relationship breakdown between partners.⁷

How many, how much estimates that the average cost of health services used after a minor wounding are £200 per incident and that for the police and criminal justice system £1,450 per incident. The equivalent estimates for a serious wounding are £9,500 and £14,500 respectively.

An estimate of the total resulting costs can be derived as follows:

- If around half of the 20,000 households have minor wounding incidents which require health, police and criminal justice system services, and if each of these households have an average of 3 such incidents; and
- If around a tenth of the households have major wounding incidents which require health, police and criminal justice system services, and if each of these households have an average of 1 such incident; then
- The total cost of the health, police and criminal justice services would be around £100 million.

Lack Of Paid Work

There is no obvious evidence that people living in concealed households are more likely to be unemployed than people who are owners/renters

In terms of people living in hostels, an estimate of the possible costs can be derived as follows:

- The estimated average weekly income of working age hostel residents is around £65 per week (mostly out-of-work benefits), only 10% of the residents have any earnings from paid work, and only 1% earn more than £200 per week.⁸
- 80% of people of working age are in paid work. If the employment rates for hostel residents without dependent children was also 80% and if the average gross earnings of this 80% was £175 per week (£5 per hour * 35 hours), then the total additional income earned would be around £160 million per year and the savings to the State in out-of-work benefits would be around £60 million.

A similar calculation for people living in temporary accommodation and in receipt of housing benefit gives estimates of around £300 million per year in additional earned income and around £100 million per year in savings to the State in out-of-work benefits.

⁷ ODPM Statistical Release entitled "statutory homelessness: England fourth quarter 2003, table 5.

⁸ From the supported housing element of the Housing Corporation's Continuous Recording (CORE) database.

A Hidden Homeless Census

Crisis is calling upon the government to conduct a Hidden Homeless Census to identify the true scale and nature of the Hidden Homelessness.

For people in hostels and temporary bed-and-breakfast accommodation, a census would be relatively easy to conduct: the government already knows who these people are and keeps records. For people living with family and friends, the census could take the form of an extension to the government's Survey of English Housing, asking additional questions about why people are living with family and friends in seemingly unsatisfactory circumstances. The recent London Household Survey is an example of how this could be done.



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