

The Homelessness Monitor

Tracking the Impacts of Policy and Economic Change in England 2011-2013

Year 1: Establishing the Baseline

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Report Summary, September 2011



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.

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The Homelessness Monitor 2011-2013

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

This Year 1 report provides a baseline account of how homelessness stands to date in 2011, and analyses key trends in the preceding period. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness.

We will continue to monitor the impact on homelessness of the economic downturn and effects of welfare and housing reform over the next two years in order to provide a substantive evidence base and will report on them in 2012 and 2013 respectively.

Foreword

This is a concerning time for homelessness in England. Levels are already rising as the fall out from the post 2007 recession continues to be felt through a sluggish recovery and rising unemployment. At the same time we are witnessing the most radical shake up of our systems of welfare and housing support for a generation. This report, the first of three, tracking the impact of these economic and policy developments in England between 2011 and 2013, is therefore extremely timely.

The evidence from the report is clear that economic downturns tend to have a lagged effect on homelessness. Historically, it is the structures of welfare and housing support that provide a cushion between poverty and unemployment and homelessness. It is therefore extremely worrying that the Coalition Government's radical reform of the welfare and housing safety nets look set to weaken the very systems that have traditionally provided a 'buffer' between vulnerable households and homelessness. We are deeply concerned that 2010 marks the start of a reversal of this positive trend and that we now face a sustained increase in homelessness, with the worst yet to come.

This baseline report provides clear analysis of the current 'state of play' of homelessness and emerging trends across a range of groups. This first report already highlights concerns that there is a very real risk that the combination of the economic downturn and the weakening of the protections which can literally keep a roof over vulnerable households' heads will cause all forms of homelessness to increase yet further.

As always, it is the poorest and most disadvantaged in our communities who will be worst affected by any rise in homelessness. We urge the Government to take stock of this report and rethink the path it is set upon.



Leslie Morphy OBE
Chief Executive, Crisis
September 2011

Key Findings

- This is a concerning time for homelessness in England: the simultaneous weakening of welfare protection and the national ‘housing settlement’, in a context of wider recessionary pressures and growing unemployment, seems likely to have a negative impact on many of those vulnerable to homelessness.
- In particular, welfare reform – in combination with the economic downturn - seems certain to drive homelessness up in England over the next few years, as it will undermine the safety net that usually provides a ‘buffer’ between a loss of income, or a persistently low income, and homelessness, and will restrict access to the private rented sector for low income households.
- Statistical analysis indicates that some aspects of ‘visible’ homelessness – including rough sleeping and statutory homelessness – have commenced a very recent upward trajectory.
- With respect to hidden homelessness – concealed, sharing and overcrowded households - there are longer-term rising trends, starting before the current recession, and reflecting mainly housing affordability and demographic pressures.
- Looking forward, the next two years may be a crucial time period over which ‘lagged’ impacts of the recession start to materialise, together with at least some of the effects of welfare and housing reform.

Introduction and methods

This three year study will provide an independent analysis of the impact on homelessness of recent economic and policy developments in England. The key areas of interest are the homelessness consequences

of the post-2007 economic recession and rising unemployment, the housing market downturn, and migration – particularly A8 migration. The other main thrust of inquiry is the likely impacts of the welfare, housing and other social policy reforms, including cutbacks in public expenditure, being pursued by the Coalition Government elected in 2010.

Four homeless groups are looked at specifically:

- 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 their being currently or imminently without accommodation
- ‘Hidden homeless’ households – that is, households living in ‘overcrowded’ conditions, and also ‘concealed’ and ‘sharing’ households

Within our three-year longitudinal study, this Year 1 report provides a ‘baseline’ account of how homelessness stands to date in 2011, and analyses key trends in the preceding period. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness.

Three methods were employed in the study:

1. A review of relevant literature, legal and policy documents.
2. Key informant interviews conducted with senior representatives of local authorities and single and youth homelessness service providers in different parts of England.

3. Detailed statistical analysis undertaken on
 - a) relevant economic and social trends in England, particularly post-2007; and
 - b) the scale and nature of homelessness amongst the four subgroups noted above, and recent trends in this.

Causation and Homelessness

We began the study by developing a conceptual framework on the causation of homelessness 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 occur¹. 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, with effects of labour market change more likely to be a lagged and diffuse, strongly mediated by welfare arrangements and other contextual factors².

Often the individual vulnerabilities, support needs and ‘risk taking’ behaviours implicated in some people’s homelessness are themselves rooted in the pressures associated with poverty and other forms of structural disadvantage³. 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 circumstances⁴. Thus deteriorating structural conditions could also be expected to generate more ‘individual’ and ‘interpersonal’ vulnerabilities to homelessness over time.

However, there is international evidence that policy interventions which are well-targeted, adequately resourced and effectively governed, can achieve positive outcomes on homelessness even in the face of problematic structural trends, such as worsening housing affordability, rising unemployment or poverty⁵.

This conceptual framework led us to consider how the changing economic and policy context in England may affect the complex structural factors that can drive homelessness, including via impacts at the more individual and interpersonal level. This Year 1 report highlights already emerging trends and forecasts some of the likely changes over the next couple of years. Its key conclusions lie in the following areas:

- The legacy of the homelessness and related policies of the 1997-2010 Labour Governments
- The implications of the post-2007 economic and housing market recessions for homelessness
- The homelessness implications of the policies of the post-2010 Coalition Government, particularly with respect to its:
 - a) welfare reforms
 - b) housing reforms and the Localism agenda
- Emerging homelessness trends

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

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

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

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

5. Busch-Geertsema, V. & Fitzpatrick, S. (2008) ‘Effective homelessness prevention? Explaining reductions in homelessness in Germany and England’, *European Journal of Homelessness*, 2: 69-95.

The Legacy of the 1997-2010 Labour Governments

By the end of the Labour period in office there had been some notable achievements on homelessness⁶. In particular, there had been a sustained large reduction in levels of rough sleeping, or at least its visible manifestations, and an unprecedented decline in statutory homelessness since 2003. Local homelessness strategies, and the Supporting People and Hostels Capital Improvement programmes, had encouraged strategic working by local authorities and their voluntary sector partners, and had led directly to the development of new, improved and more flexible services for single homeless people. Another area of significant success was youth homelessness, where a major UK review reported a ‘sea change’ of improvement in service responses over the decade until 2008⁷.

By international standards, the English (and wider UK) response to homelessness had developed into one that was notably sophisticated by the end of the Labour Government period in office, especially with regard to the statutory homelessness framework⁸ and the strong emphasis on homelessness prevention⁹. The UK is highly unusual in having enforceable rights for some homeless people where the ultimate discharge of public responsibility involves making available *settled housing* to qualifying households. Elsewhere, across the developed world, only France offers anything remotely

similar¹⁰. While many other European countries incorporate a ‘right’ to housing in their national constitutions, there are seldom any legal mechanisms to enable homeless individuals to enforce these rights. While the UK’s statutory framework predated the 1997-2010 Labour Governments’ time in office, having been first introduced by the Housing (Homeless Persons Act) 1977, the step-change in the attention given to homelessness prevention occurred under these recent Labour administrations. The ‘housing options’ approach that was central to this preventative agenda has been controversial, but research has indicated that at least some of the decline in statutory homelessness has been the result of ‘genuine’ homelessness prevention rather than being entirely attributable to more onerous local authority gatekeeping¹¹.

Notably, these Labour era ‘gains’ in homelessness responses in England were based largely on centrally-driven policies and centrally-policed national minimum standards. However, several significant problems remained when Labour vacated office, including the lengthy periods spent in temporary accommodation by some statutorily homeless families, especially in London¹², and rising numbers of destitute migrants amongst the rough sleeping population¹³. There was also little sign that single homelessness (beyond rough sleeping) had diminished under Labour’s watch¹⁴. Most single homeless people remained outwith the statutory safety net in England,

6. Fitzpatrick, S., Quilgars D. & Pleace, N. (Eds.) (2009) *Homelessness in the UK: Problems and Solutions*, Coventry: Chartered Institute for Housing.

7. Quilgars, D., Johnsen, S. and Pleace, N. (2008) *Youth Homelessness in the UK: A Decade of Progress?*, York: Joseph Rowntree Foundation.

8. Since the Housing (Homeless Persons) Act 1977 came into force in 1978, local authorities in England (and elsewhere in Great Britain) have had a duty to secure settled accommodation for certain categories of homeless household.

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

10. Loison-Leruste, M. and Quilgars, D. (2009) ‘Increasing access to housing – implementing the right to housing in England and France’, *European Journal of Homelessness*, 3: 75-1-100.

11. Pawson, H., Netto, G. Jones, C., Wager, F., Fancy, C. & Lomax, D (2007) *Evaluating Homelessness Prevention*. London: CLG <http://www.communities.gov.uk/publications/housing/preventhomelessness>

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

13. McNaughton Nicholls, C. & Quilgars, D. (2009) ‘Homelessness amongst minority ethnic groups’, in Fitzpatrick, S., Quilgars D. & Pleace, N. (Eds.) (2009) *Homelessness in the UK: Problems and Solutions*, Coventry: Chartered Institute for Housing.

14. Jones, A. & Pleace, N. (2010) *A Review of Single Homelessness in the UK 2000-2010*, London: Crisis

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

and had no legal rights to even emergency accommodation when roofless unless in a 'priority need group' (in this sense the *legal* safety net for rough sleepers in England remained weaker than that in a number of other European countries.¹⁵) Moreover, a number of forms of hidden homelessness appear to have commenced an upward trajectory during the Labour era, from around 2003, associated with housing affordability and demographic pressures (see further below).

The Labour administrations also oversaw a significant divergence in homelessness law and policy across the UK post-devolution, with Scotland opting to strengthen its statutory safety net far beyond anything contemplated in England, most notably with respect to the commitment to abolish, by 2012, the requirement to be in a 'priority need' group in order to be entitled to settled housing¹⁶. This means that it is now problematic to refer to a national 'UK homelessness framework', but also that, potentially, all four UK jurisdictions can learn from each other on the advantages and disadvantages of their contrasting approaches¹⁷.

The Implications of the Post-2007 Economic and Housing Market Recessions on Homelessness

Analyses of previous UK recessions have suggested that unemployment can affect homelessness both *directly* – via higher levels of mortgage or rent arrears – and *indirectly* – through pressures on family and household relationships¹⁸. 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 (see below), are what usually 'breaks the link' between losing a job and homelessness¹⁹, any significant reform of welfare provisions – such as that proposed by the Coalition Government and discussed below – are likely to be highly relevant to homelessness trends.

Housing market conditions tend to have a more direct impact on levels of homelessness than labour market conditions²⁰, and the last major housing market recession (1990-92) actually reduced statutory homelessness²¹ because it eased the affordability of home ownership, which in turn freed up additional social and private lets. This positive impact on general housing access and affordability substantially outweighed the negative consequences of economic weakness on housing – e.g. evictions or repossessions triggered by loss of employment. The easing of housing affordability is crucial in this context because frustrated 'entry' into independent housing by newly forming or fragmenting households is a far more important 'trigger' of (statutory)

16. 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: Chartered Institute for Housing.

17. Wilcox, S. & Fitzpatrick, S. with Stephens, M., Pleace, N., Wallace, A. and Rhodes, D. (2010) *The Impact of Devolution: Housing and Homelessness*. York: Joseph Rowntree Foundation.

18. Vaitilingham, R. (2009) Britain in Recession: *Forty Findings from Social and Economic Research*. http://www.esrc.ac.uk/_images/Recession_Britain_tcm8-4598.pdf; Audit Commission (2009) *When it comes to the Crunch How Councils are Responding to the Recession* : London: Audit Commission.

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

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

21. See Table 90 in: Pawson, H. & Wilcox, S. (2011) *UK Housing Review 2010/11*; Coventry: CIH <http://www.york.ac.uk/res/ukhr/index.htm>

homelessness than are forced 'exits' via repossessions or evictions²². There is also good evidence that housing affordability trends underlie the changing incidence of hidden homelessness, such as overcrowding or concealed households²³.

However, such a benign impact of the housing market recession is less likely this time around. The volume of lettings becoming available in the social rented sector is much lower²⁴, due to the long term impact of the right to buy sales together with low rates of new build. Continuing constraints on mortgage availability are also placing increasing pressures on the rented sectors²⁵.

The substantial growth in the private rented sector also means that the relationship between the economic downturn and homelessness may be very different this time round²⁶. The sector has grown by more than 50% over the last decade²⁷, and has thus become increasingly important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless) and potentially also as a cause of homelessness (with loss of fixed-term tenancies possibly accounting for a growing proportion of statutory acceptances)²⁸. Much therefore depends on the capacity of the private rented sector to expand any further, and absorb additional demand generated by access pressures in the other main tenures, as it did in the last major recession (albeit that it may not represent the preferred tenure of frustrated first time buyers or social renters).

The Homelessness Implications of the Coalition Government's Welfare Reforms

As the welfare safety net is what generally 'breaks' the direct link between labour market change and homelessness in most European countries²⁹, any radical weakening in England's welfare protection is likely to have damaging consequences for homelessness. Key informants participating in this research tended to emphasise that it will be the *combination* of benefit cuts and lack of access to employment that will hit potentially homeless groups – rather than resulting from any single factor, it is the cumulative effect which is likely to be telling.

The Coalition Government's welfare reforms which seem likely to have the most significant implications for homelessness include:

- The caps on Local Housing Allowance (Housing Benefit) and overall household benefit entitlement, which will severely restrict access to housing for low-income households in central London, particularly larger families³⁰.
- Local Housing Allowance (Housing Benefit) rates being set according to 30th percentile market rents rather than median values, which is likely to restrict access to the private rented sector for low-income households in a range of areas of England. In the medium term there are also concerns about the greater constraints on access to the

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

23. Bramley, G., Pawson, H., White, M., Watkins, D. & Pleace, N. (2010) *Estimating Housing Need*. London: Department of Communities and Local Government.

24. Pawson, H. & Wilcox, S. (2011) *UK Housing Review 2010/11*; Coventry: CiH.

25. Wilcox, S. (2011) *The Deposit Barrier to Home Ownership*, in Pawson, H. & Wilcox, S. (2011) *UK Housing Review*. Coventry: CiH.

26. Department for Communities and Local Government. (2011) *English Housing Survey: Headline report 2009-10*. London: Department for Communities and Local Government.

27. Pawson, H. & Wilcox, S. (2011) *UK Housing Review*. Table 17. Coventry: CiH.

28. <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq42010>

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

30. 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.; Wilcox, S. (2011) 'Constraining choices: the housing benefit reforms', in Pawson, H. & Wilcox, S. *UK Housing Review 2010/2011*. Coventry: CiH.

private rented sector for claimants that would result if private rents increase more rapidly than LHA rates are uprated by the Consumer Price Index;

- The extension of the (Housing Benefit) Shared Accommodation Rate to 25-34 year olds, which will increase pressure on a limited supply of shared accommodation and possibly force vulnerable people into inappropriate shared settings³¹ (even with the recent concession for those leaving hostels);
- The uprating of non-dependant deductions from Housing Benefit, which could exacerbate rent arrears³² and (in combination with other factors such as the abolition of Education Maintenance Allowance) increase the likelihood of young people being ejected from the family home, precipitating a rise in youth homelessness³³;
- The new 'under-occupation penalty' for working age social tenants, which may drive up rent arrears and evictions³⁴; and
- Increased conditionality and sanctions associated with the Work Programme, implying the possibility of draconian sanctions applied to single homeless people and other vulnerable groups with chaotic lifestyles³⁵.

Among our homelessness service provider interviewees there was some support for the principles of Universal Credit - if it can be made to work- particularly the flexibility it offers for people to work for a small number of hours and still be better off. That said, anxiety remains about 'housing credits' replacing direct rent payments to landlords, with potential implications for rent arrears, evictions and ultimately homelessness.

The Implications for Homelessness of the Coalition Government's Housing Reform and the Localism Agenda

It has been argued that housing can be considered, to some extent, 'the saving grace' in the British welfare state, as the UK does better by low income households on a range of housing indicators than it does on most poverty league tables³⁶. Housing appears to be a comparative asset, which tends to moderate the impact of poverty on low-income households. In other words, poorer households in the UK rely on housing interventions to protect them to a greater degree than is the case in many other countries.

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 categories of those in the most acute need³⁷.

The Coalition Government's 'Localism' agenda may undermine this national 'housing settlement' which has hitherto played an important role in ameliorating the impact of income poverty on disadvantaged households. The significant reforms to Housing Benefit have been noted above. The move towards fixed-term 'flexible' tenancies in the social rented sector, and rents pushed up to 80% of market levels, will weaken the safety net function of the social rented sector

31. 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.

32. Pawson (2011) *Welfare Reform and Social Housing*. York: HQN Network.

33. Witherspoon, C., Whyley, C. and Kempson, E. (1996) *Paying for Rented Housing: Non-dependent Deductions from Housing Benefit*. London: Department of Social Security.

34. Pawson (2011) *Welfare Reform and Social Housing*. York: HQN Network.

35. UK: Key patterns and intersections', *Social Policy and Society*, 10 (4): 501-512.

36. 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.

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

over time. Removing security of tenure from new social tenants could also have negative impacts on community stability and work incentives³⁸. The decentralisation of housing allocation eligibility decisions risks excluding some marginalised groups from mainstream social housing³⁹.

Discharge of the statutory homelessness duty into fixed-term private tenancies without the applicant's consent also raises important concerns regarding the tenure security available to vulnerable households, especially families with children. However, the impact of this particular change may be blunted somewhat by affordability constraints in the light of the Local Housing Allowance reforms (which will severely restrict access to the private rented sector for low-income households in some areas of England), although at the same time it may also lead to more 'out-of-area' placements to cheaper localities.

The introduction of the Supporting People funding stream in 2003 was central to the expansion of homelessness resettlement services across the UK⁴⁰. However, the ring fence on these funds was lifted in April 2009, meaning that local authorities could then elect to spend these funds on other local priorities. Though implemented by

the last Labour Government, this move strongly prefigured the current Government's decentralisation agenda which, in combination with national Supporting People budget cuts (amounting to a national 12% cut over four years), has already impacted on the front-line services available to homeless people, with the prospect of more significant cuts to come in many areas⁴¹.

More broadly, it was noted by our key informant interviewees that marginalised groups such as single homeless people are likely to lose out from a shift away from national minimum standards and policy frameworks in favour of the local determination of priorities. Perhaps recognising this reality, a quasi-national framework is being retained through the Government's Ministerial Working Group on homelessness, albeit focused on a narrow definition of homelessness which relates primarily to rough sleeping⁴². Ministerial Working Group initiatives may help to drive down rough sleeping in England, particularly if the planned national roll-out of the 'No Second Night Out' project⁴³ is conducted in a flexible and locally-sensitive manner. The MWG's emphasis on addressing health inequalities affecting homeless people is also welcome, though its practical impact remains to be seen.

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

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

40. Fitzpatrick, S., Quilgars D. & Pleace, N. (Eds.) (2009) *Homelessness in the UK: Problems and Solutions*, Coventry: Chartered Institute for Housing.

41. Homeless Link (2011) Press Release 30 June 2011: *Cuts Making it Harder for Homeless People to Get Help* <http://www.homeless.org.uk/news/cuts-making-it-harder-homeless-people-get-help>.

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

43. <http://www.nosecondnightout.org.uk/about-us.html>

Emerging Statistical Trends

Data from a variety of sources demonstrates some very recent growth in ‘visible’ forms of homelessness, including both rough sleeping and statutory homelessness, thus contrasting with the last major recession when the net impact of economic and housing market weakness was beneficial in terms of (statutory) homelessness numbers. There are also indications that, continuing through the post-2007 downturn, ‘hidden’ forms of homelessness – concealed, sharing and overcrowded households – are on an upward trajectory. These trends on hidden homelessness appear to reflect housing market affordability and demographic pressures, particularly in London and the South.

Trends in visible homelessness

A gradual decline in rough sleeping until 2007/08 was reversed in the most recent period, with this turnaround particularly marked in the South⁴⁴. There has been an 8% rise in rough sleeping in London to 3,975 over the past year, only some of which is attributable to increased numbers of central and eastern European migrants amongst the rough sleeping population⁴⁵.

After a very sharp decline from 2003–2009, as a consequence of the homelessness prevention agenda, the number of local authority homelessness assessment decisions (a proxy for ‘applications’) started to rise again in 2010. Financial year figures for 2010/11 show an annual increase of 15 percent to 102,200⁴⁶. The most recent quarterly statistics (for January-

March 2011) show signs of a continuing upward trend in homelessness acceptances – often considered *the* key headline indicator⁴⁷. Taking the 2010/11 financial year as a whole, there were 44,160 acceptances (from a total of 102,200 decisions). This is an increase from 40,020 in 2009/10 (a 10% rise) – the first financial year increase since 2003/04. The decline in the number of homeless households in temporary accommodation has also slowed down, adding to the sense that 2010 may be a year in which the trend on statutory homelessness ‘turned’ upwards⁴⁸. Moreover, although overall temporary accommodation numbers continued to fall in 2010, B&B hotel placements rose significantly. In addition, homelessness prevention activity has continued to expand with 189,000 instances of prevention logged by local authorities in 2010/11, an increase of 14% on the previous year⁴⁹.

Also notable is that the profile of household types accepted as homeless, and the immediate reasons for applying as homeless, have remained remarkably consistent over the past decade, despite the very substantial reduction in the overall size of the cohort (until recently). Moreover, there has been no significant shift in these patterns during the current economic downturn. While there has been a recent resurgence in loss of fixed-term tenancies as a presenting cause of statutory homelessness (which may well represent simply a return to the longer-term ‘norm’), no proportionate or absolute increase in rent or mortgage arrears as a cause of statutory homelessness is apparent⁵⁰. This is in keeping with the point made above that

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

45. Broadway (2011) <http://www.broadwaylondon.org-CHAIN-NewsletterandReports.htm>

46. DCLG (2011) *Statutory Homelessness* – 1st Quarter 2011, England; London: DCLG <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq12011>

47. DCLG (2011) *Statutory Homelessness* – 1st Quarter 2011, England; London: DCLG <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq12011>

48. DCLG (2011) *Statutory Homelessness* – 1st Quarter 2011, England; London: DCLG <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq12011>

49. DCLG *Homelessness Prevention and Relief statistics*

50. DCLG (2011) *Statutory Homelessness* – 1st Quarter 2011, England; London: DCLG <http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq12011>

frustrated ‘entry’ into independent housing by newly forming or fragmenting households is a far more important ‘trigger’ of (statutory) homelessness than are forced ‘exits’ via repossessions or evictions.

Trends in hidden homelessness

The number of *concealed households*⁵¹ - static or in decline during the 1990s and into the early 2000s - has recently increased⁵². In 2008 there were an estimated 1.39 million concealed single person households in England, as well as 315,000 concealed couples and lone parents⁵³. Related to this development, there has been a clear slow down in new household formation, mainly because of the drastic decline in the number of new households entering owner occupation but also because of the fall in numbers of social lettings⁵⁴. The resurgent private rented sector has not increased enough to offset reduced supply in other tenures.

Reversing a long-term decline, *sharing households*⁵⁵ have increased in the last two years⁵⁶, apparently a consequence of constrained access to housing following the 2007 credit crunch and the subsequent recession. Extending the (Housing Benefit) Shared Accommodation Rate to 25-34 year olds may expand further the number of households sharing accommodation, but it seems likely that many of those affected will become concealed households instead.

*Overcrowding*⁵⁷ has increased markedly since 2003, from 2.4% to 2.9% of all households, reversing previous declining trends⁵⁸. On the most recent figures 630,000 households were overcrowded in England. Overcrowding is much more common in social renting and private renting than in owner occupation, and the upward trend in overcrowding is also associated with the two rental tenures, and particularly with social renting in the most recent period. The factors underlying this latter point probably include the concentration of social sector lets on families with children, the small size profile of new social house-building, and possibly a greater prevalence of larger families among some ethnic minority and immigrant groups gaining access to social housing.

Overview of statistical trends

It should be emphasised that these upward trends in both visible and hidden forms of homelessness appear to have taken hold prior to implementation of most of the Coalition Government’s planned restrictions on welfare entitlements and other policy reforms which may be anticipated as exacerbating homelessness.

However, while there has been much speculation in the press about ‘middle class homelessness’, there is nothing in the qualitative or quantitative data collected for this study to suggest that the nature of homelessness or the profile of those affected has substantially altered in the current economic climate.

51. ‘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.

52. *Labour Force Survey*

53. *English Housing Survey*

54. *Labour Force Survey and English Housing Survey*

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.

56. *Labour Force Survey*

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. *English Housing Survey*

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. The sort of direct relationship between loss of income and homelessness implied in these press accounts is to be found much more readily in those countries (such as the United States) and amongst those groups (such as recent migrants) with weak welfare protection⁵⁹. Any significant reduction of the welfare safety net in the UK as a result of Coalition reforms may, of course, bring the scenario of middle class homelessness that much closer.

The Homelessness Monitor: Tracking the Impacts on Homelessness Going Forward

This is a concerning time for homelessness in England: the simultaneous weakening of the welfare safety net and the national 'housing settlement', in a context of wider recessionary pressures and growing unemployment, seems likely to have a negative impact on many of those vulnerable to homelessness.

In particular, the general effects of welfare reform – in combination with the economic downturn – seems certain to drive up homelessness in England over the next few years, as it will weaken the safety net that provides a 'buffer' between a loss of income, or a persistently low income, and homelessness, and will restrict access to the private rented sector for low income households.

As our statistical analysis shows, some aspects of 'visible' homelessness – including rough sleeping and statutory homelessness – appear to have commenced an upward trajectory ahead of these anticipated policy and economic developments. With respect to hidden homelessness – concealed, sharing and overcrowded households – there are longer-term rising trends, starting before the current recession, and reflecting mainly housing affordability and demographic pressures.

Looking forward, the next two years is widely thought to be a crucial time period over which any 'lagged' impacts of the recession may start to materialise, together with at least some of the effects of welfare and housing reform. At the same time, housing market pressures seem unlikely to ease, extending highly constrained access to home ownership for first-time buyers which is, in turn, increasing demand for both of the rental

⁵⁹ Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G.V. and Chzhen, Y. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

sectors (though the response of the private rented sector is an important unknown).

With respect to visible homelessness, this monitoring exercise over the next two years will provide an opportunity to analyse the extent to which the recent upward shifts in visible homelessness – both rough sleeping and statutory homelessness – represent sustained trends or temporary ‘blips’ in the data.

On hidden homelessness, we will track whether the rising trends in concealed, sharing and overcrowded households persist through the current economic downturn and any short-term fluctuations in housing affordability.

We will also attempt to ascertain the profile of those affected by both visible and hidden forms of homelessness, 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, any shifts in regional patterns will be closely monitored.

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

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