

Crisis

The homelessness monitor: England 2017

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(I-SPHERE), Heriot-Watt University; City Futures Research Centre,
University of New South Wales

March 2017



The homelessness monitor

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

This sixth annual report updates our account of how homelessness stands in England in 2017, or as close to 2017 as data availability allows. It also highlights emerging trends and forecasts some of the likely future changes, identifying the developments likely to have the most significant impacts on homelessness.

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

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About Crisis

Crisis is the national charity for homeless people. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.

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

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Acronyms

AHC	After Housing Costs
AST	Assured Shorthold Tenancy
BTL	Buy to Let
CEE	Central and Eastern European
CHAIN	Multi-agency database recording information about rough sleepers and the wider street population in London
CIH	Chartered Institute of Housing
CLG	Communities and Local Government
CML	Council of Mortgage Lenders
CPI	Consumer Price Index
CTB	Council Tax Benefit
CTS	Council Tax Support
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
EHS	English Housing Survey
ESA	Employment and Support Allowance
FTT	Fixed Term Tenancy
GB	Great Britain
HB	Housing Benefit
HCA	Homes and Communities Agency
JRF	Joseph Rowntree Foundation
LA	Local Authority
LFS	Labour Force Survey
LGA	Local Government Association
LHA	Local Housing Allowance
LSE	London School of Economics and Political Science
LWA	Local Welfare Assistance
NAO	National Audit Office
NHF	National Housing Federation
OBR	Office for Budget of Responsibility
ONS	Office for National Statistics
PRS	Private Rented Sector
PSE	Poverty and Social Exclusion Survey
RP	Registered Provider
SAR	Shared Accommodation Rate
TA	Temporary Accommodation
UC	Universal Credit
UKSA	UK Statistics Authority
USS	Understanding Society Survey

Foreword

The homelessness monitor England 2017 is the sixth instalment of an annual state-of-the-nation report looking at the impact of economic and policy developments on homelessness.

Drawing on statistical analysis, insights from a large scale survey with local authorities and in-depth interviews with key informants, this year's monitor gives new evidence on the growing shortfall in housing supply and the difficulties many homeless people face in trying to access a home. The survey of local authorities reveals that just over six out of 10 councils find it hard to access social tenancies for homeless people. Furthermore, just under half described it as 'very difficult' to assist applicants into privately rented accommodation.

The research underlines the particular difficulties many councils will face finding accommodation for young people and families over the next two to three years. There are serious concerns for single young people because of rising unemployment, benefit cuts and spiralling rents. Two-thirds of local authorities told us they expect it to be 'much more difficult' to help 18-21 year olds access housing in the next few years. These concerns will be amplified by planned removal of entitlement to support with housing costs for many people in this age group.

Once again this year's Monitor warns about on-going welfare reforms with the discrepancy between Local Housing Allowance and rents highlighted as a significant barrier to council attempts to house homeless applicants.

The past year has, however, marked an important step towards tackling homelessness. The Homelessness Reduction Bill, which, at the time of writing, is nearing the end of its parliamentary passage signals a very important change in enabling everyone facing homelessness to access the help they need at earliest possible point. Yet as the research highlights, until the number of homes available across all tenures increases significantly, councils will continue to struggle to help the most vulnerable in society. The lack of affordable, secure rented housing is driving up homelessness in England and the report shows that housing provision would have to increase by a fifth on last year's level just to keep pace with demand, let alone ease market pressure.

So although the government has set out plans to build new homes and have a greater focus on renting, these will not be within the reach of many people at risk of homelessness. The change in the law is an important step but needs to be followed by stability in the housing market and greater access to suitable housing. This report examines all these issues in depth and provides an authoritative insight into the current state of homelessness in England. It is an invaluable tool for those interested in understanding homelessness and seeking to end it.



Jon Sparkes
Chief Executive, Crisis



Campbell Robb
Chief Executive, Joseph Rowntree Foundation

Executive summary

The homelessness monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in England and elsewhere in the UK.¹ This sixth annual report updates our account of how homelessness stands in England in 2017, or as close to 2017 as data availability allows.

Key points to emerge from our latest analysis are as follows:

- An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2016, with the national total up by 132 per cent since 2010. Statistics routinely collected by the 'CHAIN' system similarly show London rough sleeping having more than doubled since 2010. A recent sharp contraction in Central and Eastern European nationals sleeping rough has masked an ongoing increase in rough sleeping involving UK nationals (up by 6% in Q2 2016/17 compared with the same quarter a year earlier).
- At nearly 58,000, annual homelessness acceptances were some 18,000 higher across England in 2015/16 than in 2009/10. With a rise of 6 per cent over the past year, acceptances now stand 44 per cent above their 2009/10 low point. However, administrative changes mean that these official statistics understate the increase in 'homelessness expressed demand' over recent years.
- Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 271,000 'local authority homelessness case actions' in 2015/16, a rise of 32 per cent since 2009/10. While for the second year running this represents a slight decrease in this indicator of the gross volume of homelessness demand (by 2%), two-thirds of all local authorities in England reported that overall service demand 'footfall' rose in their area in 2015/16. The most likely explanation for this apparent discrepancy is that funding constraints have started to limit local authorities' homelessness service capacity, particularly with respect to these 'non-statutory' relief and prevention duties.
- The vast bulk of the recorded increase in statutory homelessness in recent years is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases having almost quadrupled over the period – from less than 5,000 to almost 18,000. As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 per cent to 31 per cent since 2009/10.
- Regional trends in homelessness have remained highly contrasting, with acceptances in the North of England in 2015/16 some 6 per cent lower than in 2009/10 (the national low point), while in London the latest figure was more than double (103% higher than) that at this previous low point. However, there were also indications from our 2016 survey results that rising homelessness pressures have recently been bearing down most heavily on the South of England and, to a lesser extent, the Midlands. This might suggest that some of the extreme pressure

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

that has accumulated in London over recent years has begun to transfer beyond the capital's borders.

- Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 9 per cent in the year to 30 June 2016; up by 52 per cent since its low point five years earlier. While accounting for only 9 per cent of the national total, B&B placements have been rising even faster, and now stand almost 250 per cent higher than in 2009. Signs of stress are also evident in the growing proportion of temporary accommodation placements beyond local authority boundaries: now representing 28 per cent of the national total, up from only 11 per cent in 2010/11. Such placements mainly involve London boroughs.
- There were 2.27 million households containing concealed single persons in England in early 2016, in addition to 288,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.34 million. These numbers represent a rise of one third since 2008. On the most recent (2013) figures 672,000 households (3.0%) were overcrowded in England. Thus, overcrowding has remained at a high level since 2009. Both concealed and overcrowded households can be stuck in that position for considerable periods of time, with this persistence worsening after the recent economic crisis.
- The welfare cuts introduced in this decade, and those planned for introduction in the coming years, will cumulatively reduce the incomes of poor households in and out of work by some £25 billion a year by 2020/21. This is in a context where existing welfare cuts, economic trends, and higher housing costs associated with the growth of private renting have already increased poverty amongst members of working families to record levels.
- The Shared Accommodation Rate limits for single people aged under 35 have already had a marked impact in reducing (by some 40%) their access to the private rented sector. In inner London, the impact of the national Local Housing Allowance caps has led to a similar reduction in the capacity of other low-income households to secure, or maintain, private rented sector tenancies.
- So far the overall benefit cap has had a limited impact, but this is set to increase fourfold with the advent of the lower caps announced in the Summer 2015 Budget, and will make it highly problematic for larger families, not just in London but across the country, to find affordable housing.
- There are continuing concerns about the many difficulties that the administrative arrangements for Universal Credits pose for vulnerable households. The reductions in work allowances announced in the 2015 Summer Budget will also significantly erode the potential 'work incentive' benefits of the scheme, and are only marginally mitigated by the reduction to the Universal Credit taper rate announced in the 2016 Autumn Statement.
- The new welfare reforms announced in the summer 2015 Budget and Autumn Statement will have particularly marked consequences both for families with more than two children, and for young single people. These groups will either potentially be entirely excluded from support with their housing costs (if 18-21 and not subject to an exemption), or subject to Shared Accommodation Rate limits on eligible rents in the social as well as the private rented sector. Consequently, these are the groups that local authorities report greatest difficulty in rehousing.

- The capacity of the social rented sector to meet housing needs will continue to be tested in the years ahead, despite the new Government's injection of funds to modestly increase the supply of affordable housing from 2017/18, and the allowance of a degree of tenure flexibility over the use of grant. Almost two-thirds of respondents to our 2016 local authority online survey reported difficulties in accessing social tenancies for their homeless applicants, with three-quarters of respondents in London commenting that this was "very difficult". As well as emphasising the absolute shortage of social lettings in their area, many local authority respondents also reported that housing associations were becoming increasingly selective regarding applicant incomes and independent living skills.
- Despite a continued growth in the overall size of the private rental sector, which is now larger than the social rental sector in England, half of all local authorities, and virtually all in London, described it as "very difficult" to assist their applicants into private rental tenancies. These difficulties were attributed to the combined effects of rising rents and welfare benefit restrictions, particularly frozen Local Housing Allowance rates.
- One of the most significant policy developments over the past year has been the bringing forward of a Homelessness Reduction Bill to place local authority prevention duties and obligations to single homeless people on a firmer statutory footing. At the time of writing, this proposed legislation was still undergoing Parliamentary scrutiny, with both statutory and voluntary sector key informants judging that the current draft represented a 'reasonable' balance between competing interests in a very challenging structural climate.
- Important context here is the austerity programme that continues to be applied to local government in England, and which is impacting disproportionately on deprived northern urban local authorities. Thus, while local authority spending on homelessness has increased somewhat (by 13%) since 2010, reflecting the priority attached to this area by central government, overall council spending on housing has dropped by 46 per cent in real terms, with an even larger cutback in their Supporting People programmes (67%).
- As a result, there has been a sharp contraction in the number of supported accommodation units available for homeless people, and such accommodation was reported to be under acute pressure across the country. Homelessness organisations cautiously welcomed the recent decision to delay and mitigate the extension of the Local Housing Allowance limits to tenants of supported housing. However, significant concerns remain about the effects on the supported accommodation sector of the social housing rent reduction from April 2017.
- While the UK economy has now clearly recovered from the credit crunch, future economic and housing market prospects have been impacted by the referendum vote for the UK to leave the EU, and the uncertainty about what this will mean in practice. Looking ahead housing market pressures are set to grow as new house building rates remain some way below projected levels of household formation. At the same time, there is now much greater uncertainty about future levels of household formation following the Brexit vote.

Trends in homelessness

The table below provides a statistical overview of the key homelessness trends, as captured in official and administrative

Table 1: Summary of homelessness statistics.

Summary of Homelessness Statistics	2009/10	2014/15	2015/16	% change 2014/15- 2015/16	% change 2009/10- 2015/16
Rough sleeping in England – snapshot (1)	1,768	3,569	4,134	16	134
Rough sleeping in London – annual (2)	3,673	7,581	8,096	7	120
Local authority statutory homelessness cases – annual (3)	89,120	112,350	114,780	2	29
Local authority statutory homelessness acceptances – annual (4)	40,020	54,430	57,740	6	44
Local authority homelessness prevention and relief cases (5)	165,200	220,800	213,300	-3	29
Total local authority homelessness case actions (6)	205,220	275,230	271,050	-2	32

Sources: (1)-(6) Department for Communities and Local Government; (2) Greater London Authority.

Notes: (1) Numbers estimated by local authorities on given date (based on counts in a minority of local authorities); '2009/10' figure is for Autumn 2010; (2) Numbers recorded as sleeping rough at least once during financial year; (3) Homelessness applications processed under statutory procedures; (4) Households formally assessed as 'unintentionally homeless and in priority need'; (5) Instances involving non-statutory assistance provided to homelessness applicants in retaining existing accommodation or securing a new tenancy; (6) Rows (4) + (5).

statistics. Each indicator is discussed in detail below, but the overall picture is immediately apparent: there has been a substantial expansion in all forms of recorded homelessness since 2009/10, but the rate of increase has significantly slowed, or even marginally reversed, in the most recent financial year.

Rough sleeping

An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2016, with the national total up by 132 per cent since 2010. In the past two years alone, rough sleeping is up 51 per cent. Albeit that the England-wide total rose by 16 per cent in the last 12 months, the rate of

increase was much higher outside London (21%) than in the capital (3%).

The more robust and comprehensive rough sleeper monitoring data collected by the St Mungo's CHAIN system in London confirms the upward trend since 2010, with London rough sleeping having more than doubled (up 104%) over this period. However, the latest statistics suggest the possibility of a recent reversal in these patterns. Data for Q2 2016/17 show a slight decrease in overall London rough sleeping numbers – down from 2,689 to 2,638.² Most notably, after years of rapid growth, the number of Central and Eastern European rough sleepers in London fell markedly during 2016 – from 1,000 (35% of the total) in Q2 2015/16 to 721 (28%) in

² Mayor of London (2016) CHAIN Quarterly Report Greater London July-Sept 2016 <https://data.london.gov.uk/dataset/chain-reports/resource/6cdbfcd9-bc2f-4c5a-a379-7c8cf7ec9cda>

Q2 2016/17. This sharp contraction in CEE nationals sleeping rough has masked an ongoing increase in rough sleeping involving UK nationals (up by 6% in Q2 2016/17 compared with Q2 2015/16).

Single homelessness

Data on single homelessness trends, other than with respect to rough sleeping, are hard to source. The statutory homelessness system (see below) excludes most single homeless people, with only certain priority categories deemed 'priority need' and therefore accepted as owed the main homelessness duty. The recent trend in such priority single homelessness cases has been relatively flat, rising by only 15 per cent in the six years to 2015/16, as compared with the 56 per cent increase seen for families and multi-adult households.

There are two other possible explanations for the relatively stable incidence of single homelessness as measured via statutory homelessness records. The first is that the underlying growth in single homelessness has in fact been much lower than among families. The other, more plausible, explanation is that the recorded trend in single homelessness acceptances reflects an increasingly rigorous interpretation of vulnerability guidelines on the part of local authorities prior to a Supreme Court ruling in May 2015 (on the joined cases of Johnson, Kanu and Hotak) that eased the "vulnerability" test for those aged over 18. While in last year's online survey few local authorities expected the decision in these cases to have a major impact on the proportion of single homeless people they accepted as being in priority need, subsequent case law has reinforced this lowering of the vulnerability threshold.³ However, of much greater potential significance with regard to local authority duties towards single homeless

people is the Homelessness Reduction Bill discussed in detail below.

Statutory homelessness

Nationally, the three years to 2012/13 saw a marked expansion in the recorded statutory homelessness caseload, as reflected by the total number of formal local authority assessment decisions. These grew from 89,000 in 2009/10 to 113,000 in 2012/13. Similarly, households 'accepted as homeless' (formally assessed as unintentionally homeless and in priority need) rose by 34 per cent over this period.

Subsequently the national statutory homelessness caseload largely stabilised. Thus in 2015/16 the total number of formal decisions rose by just 2 per cent to stand at 115,000 – or 29 per cent higher than the 2009/10 low point. However, statutory homelessness acceptances (that sub-group of decisions involving households deemed unintentionally homeless and in priority need) rose 6 per cent in 2015/16 to 57,700 – 44 per cent above their 2009/10 low point.

In interpreting such trends, however, it is crucial to factor in changes in administrative practice. Results from the research team's local authority surveys in 2014 and 2015 have confirmed that changes in council procedures around homelessness – adoption of an increasingly pro-active 'prevention stance' – have been ongoing. This matters because those assisted 'informally' go uncounted as far as the statutory homelessness statistics are concerned (albeit that such cases should be captured in the homelessness prevention and relief data reviewed below). Thanks to such developments, we have argued in previous Homelessness Monitors that the statutory homelessness statistics have had a declining value as a reliable indicator of

3 Peaker, G. (2016) 'A Compendium of Vulnerability Cases', *Nearly Legal blog*, 12th September: <https://nearlylegal.co.uk/2016/09/compendium-vulnerability-cases/>

the changing scale of homelessness and the more acute forms of housing need.⁴

Our hypothesis is further strengthened by benchmarking official statutory homelessness statistics against the results of our 2016 local authority survey. The DCLG figures for individual local authorities show that⁵ the proportion of local authorities recording an increase in statutory homelessness decisions in 2015/16 compared with 2014/15 was 46 per cent. Conversely, 38 per cent of authorities recorded a decrease. However, two thirds of responding authorities (67%) reported that homelessness demand ('people seeking assistance') had increased in 2015/16, with 'significant increases' experienced by a quarter (25%). The 3 per cent (5 authorities) reporting 'slightly decreased' numbers is in sharp contrast with the 38 per cent recording reduced numbers of decisions in DCLG's official statistics. On the basis of these data, it therefore appears highly likely that the 2 per cent expansion of 'homelessness expressed demand' in the past year suggested by the official statutory homelessness acceptance figures substantially understates the true increase.

Data collected via the statutory homelessness monitoring system may nonetheless provide a useful indication of regional trends, and it is clear that such patterns continue to be highly contrasting. The 2015/16 figure for the North of England remained 6 per cent lower than the 2009/10 national low point, while for London the latest figure was more than double (103% higher than) that at the low point of the cycle. The regional pattern of our 2016 online survey results is also revealing, as it suggests that rising homelessness pressures have recently been bearing down most heavily on the South of England and,

albeit to a lesser extent, the Midlands. This contrasts with the comparable analysis in our 2015 survey in which London stood out from all other regions in this way. This might suggest that some of the extreme pressure that has accumulated in London over recent years has begun to transfer beyond the capital's borders.

The vast bulk of the recorded increase in statutory homelessness over the past six years has been attributable to the sharply rising numbers made homeless by the termination of a private tenancy – these have almost quadrupled from less than 5,000 acceptances per annum to almost 18,000. As a proportion of all statutory homelessness acceptances, such cases have consequentially risen from 11 per cent in 2009/10 to 31 per cent by 2015/16.⁶ The 2016 local authority survey is instructive in terms of the explanations for this trend. Most commonly, respondents referred to growing pressure on private rental markets, especially in London and the South, linked with welfare reforms which have exacerbated the vulnerability of low income renters or which have made landlords less inclined to let to benefit recipient households (see further below).

Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 9 per cent in the year to 30 June 2016 to reach 73,000 – up by 52 per cent from its low point five years earlier. London accounts for around three-quarters of the total number of temporary accommodation placements at any one point in time (53,000 at 30th June 2016). The bulk of temporary accommodation placements are in self-contained housing (both publicly and privately owned).

⁴ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis/JRF. See also: UKSA (2015) *Assessment of Compliance with the Code of Practice for Official Statistics: Statistics on Homelessness and Rough Sleeping in England*. London: UKSA.

⁵ Discounting cases where this year's figures were within 5% of last year's

⁶ DCLG Live Table 774. See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

However, although accounting for only 9 per cent of the national temporary accommodation total at 30 June 2016, B&B placements rose sharply in the most recent year. Totalling 6,520, the number of placements was 16 per cent higher than a year previously and almost 250 per cent higher than in 2009.

Signs of stress are also evident in the growing proportion of temporary accommodation placements beyond local authority boundaries. At 30 June 2016, these accounted for 20,660 placements – 28 per cent of the national total, up from only 11 per cent in 2010/11.⁷ Such arrangements mainly involve London boroughs. Recent case law has increased the requirements on London boroughs to fully justify out of borough placements and to evidence thorough investigations on the implications of the move for the tenant.⁸ A more specific worry is the rapid growth in the number of B&B hotel placements including children. At the end of Q2 2016 these numbered 3,390 – up 27 per cent on the figure a year earlier. Although the number remains relatively small, there is particular concern about the rapidly growing component of this cohort which involves longer term B&B stays. Households with children and placed in B&B for more than six weeks as at 30 September 2016 totalled 1,140 – up 30 per cent year on year.

As noted above, local authority testimony confirms that recent years have seen an ongoing trend towards a primarily non-statutory approach to homelessness whereby a growing proportion of cases are handled through informal ‘prevention’ and ‘relief’ processes. In 2015/16 these informal cases outnumbered statutory homelessness acceptances by almost four to one, even though the volume of prevention activity declined slightly in 2015/16, as it did in

2014/15. While preferable to an exclusive focus on statutory homelessness decisions, these informal intervention statistics remain an imperfect index of total expressed homelessness demand given that they are, in essence, a (service) supply measure. Our local authority survey results indicate that while most authorities have seen homelessness services funding held steady in the current year, a fifth have experienced cut backs. It therefore seems likely that funding constraints have started to limit local authorities’ homelessness service capacity with respect to the ‘non-statutory’ relief and prevention duties. This may help to explain the fact that homelessness ‘footfall’ is reported to have continued to grow, while service caseloads have slightly fallen back.

Limited as they are, the data on ‘successful’ prevention actions does provide an indication of the balance of activities, which has tended to shift towards helping service users to retain existing accommodation rather than to obtain new housing. Notably, assisting people to access private tenancies is no longer the largest single form of prevention activity. Since 2009/10 the annual volume of such cases has dropped by 30 per cent. This trend probably reflects both the state of the housing market and the Housing Benefit reforms which – by restricting entitlements – will have made it more difficult to secure private tenancies for many categories of applicant (see below).

Youth homelessness

While statutory homeless has increased substantially since 2009/10, acceptances of 16-24 year olds have been more stable, increasing to 17,000 in 2011/12 before falling back to around 13,500 for the past two years.⁹ However, as with single homelessness more generally,

⁷ DCLG (2015) *Statutory Homelessness: April to June Quarter 2015 England*. London: DCLG.

⁸ *Nzolameso v Westminster City Council* [2015] UKSC 22

⁹ DCLG Live Table 781 See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

statutory acceptances likely represent only a small proportion of overall youth homelessness as many young people will not qualify as being in priority need.¹⁰ It was estimated in 2013/14 that 64,000 young people were in touch with homelessness services in England, more than four times the number accepted as statutorily homeless.¹¹

A crucial element of the context for youth homelessness in England, and the wider UK, is that younger single people, especially if they are living outside of the family home, now face highly disproportionate risks of poverty.¹² Indeed, the ‘*dramatic deterioration in young people’s fortunes*’¹³ associated with unemployment, declining benefit protection and rising private sector rents is arguably the most prominent poverty ‘story’ to emerge in the UK in recent years. Young men under 25 are the group most likely to be destitute in the UK today.¹⁴

England has seen investment in specific funds¹⁵ and policy initiatives¹⁶ that aim to develop positive accommodation options for young people, which may explain why there does not appear to have been a substantial increase in youth homelessness as a result of the last recession and existing benefit restrictions.¹⁷ But young people are still at a far higher risk of homelessness than

older adults,¹⁸ and the increasingly stringent Housing Benefit restrictions on single people aged under 35 have already had a marked impact in reducing (by some 40% since 2011) their access to the private rented sector. There are now acute concerns regarding the likely homelessness impacts of impending (further) reductions in young people’s welfare entitlements, as discussed below.

Hidden homelessness

The importance of regional patterns and housing market pressures is reinforced by our potential hidden homelessness analysis, which demonstrates that concealed households,¹⁹ sharing households²⁰ and overcrowding²¹ remain heavily concentrated in London.

We estimate that there were 2.27 million households containing concealed single persons in England in early 2016, in addition to 288,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.34 million. These numbers represent a rise of one-third since 2008. This rise in concealed single individuals living with others, when they would really prefer to live independently, has been associated with a fall in new household formation. The ability of younger adults to

¹⁰ Centrepoint (2015) *Beyond Statutory Homelessness*. London: Centrepoint;

¹¹ Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. Cambridge: Cambridge Centre for Housing and Planning Research; DCLG Live Table 781. See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>; See also McCoy, S. and Hug, B. (2016) *Danger Zones and Stepping Stones: Young people’s experiences of hidden homelessness*. London: Depaul.

¹² p.3 in Padley, M. and Hirsch, D. (2014) *Households Below a Minimum Income Standard: 2008/9 to 2011/12*. York: JRF.

¹³ Ibid.

¹⁴ Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. and Watts, B. (2016) *Destitution in the UK: Final Report*. York: JRF.

¹⁵ DCLG (2014) ‘£23 million to help homeless turn around their lives’, *DCLG Press Release*, 9th December: <https://www.gov.uk/government/news/23-million-to-help-homeless-turn-around-their-lives>

¹⁶ St Basils (2015) *Developing Positive Pathways to Adulthood: Supporting young people on their journey to economic independence and success through housing advice, options and homelessness prevention*. <http://www.stbasils.org.uk/how-we-help/positive-pathway/>

¹⁷ Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth homelessness in the UK: A review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

¹⁸ Ibid.

¹⁹ ‘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.

²⁰ ‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between ‘sharing’ households and ‘concealed’ households is a very fluid one.

²¹ ‘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.

form separate households continues to fall in southern regions and has dropped by a third in London since the early 1990s. As noted in last year's Monitor, being a concealed household can be quite a persistent state for both families and single people, with this persistence becoming more pronounced after the recent economic crisis.²²

According to the Labour Force Survey, 1.45 per cent of households in England shared in 2016. Sharing is particularly concentrated in private renting (4.5%), but is not unknown in the social rented sector (1.5%) and even in the owner occupier sector (0.5%). It is much more prevalent (and growing) in London (5.1%), as one would expect, and the next highest regions are the North West (1.4%) and South East (1.1%). Sharing is particularly rare in the North East and East of England (less than 0.1%).

Sharing has seen a long-term decline, but this trend now appears to have bottomed out. One reason to expect some increase in sharing is the benefit restrictions affecting under 35 year olds discussed below. But given the acute demand pressures on a limited supply of shared accommodation in many areas, many of the additional people affected may become 'concealed households' rather than sharing households. Indeed, some of the increase in concealed households noted above may be a mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

On the most recent figures, 672,000 households (3.0%) were overcrowded in England. This means that overcrowding has plateaued at a high level since 2009.

Overcrowding is less common in owner occupation (1.4%) and much more common in social renting (6.2%) and private renting (5.4%). The upward trend in overcrowding was primarily associated with the two rental tenures, although there was some improvement in social renting in 2010-12 and in private renting in 2011-13, but this appears to have worsened again in 2014. There is a much higher incidence in London (across all tenures), with a rate of 7.2 per cent in 2013/14. The next worst region for overcrowding is the West Midlands (2.9%), followed by the South East (2.6%).

Overcrowding, like being a concealed household, can be quite a persistent experience for the people affected. As reported in the last edition of the Monitor,²³ analysis of the longitudinal surveys shows that a majority of overcrowded households in a particular year had been overcrowded the previous year, with many crowded for at least two years. Econometric modeling of overcrowding showed that this was clearly related to housing market conditions, employment, and poverty, as well as demographic factors.²⁴

Economic and policy impacts on homelessness

While the UK's gradual economic recovery continued through 2015 and into 2016, after the longest economic downturn for over a century, there is now considerable uncertainty about the prospects in the coming years following the referendum vote in favour of leaving the European Union. The latest Office for Budget Responsibility forecasts²⁵ are for slower growth than was anticipated ahead of the 'Brexit' vote. Earned incomes remain, in real terms, some

²² Sources: Authors' analysis of British Household Panel Survey 1992-2008 and Understanding Society Survey 2009-13.

²³ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2016) *The Homelessness Monitor: England 2016*. London: Crisis/JRF.

²⁴ Bramley, G. & Watkins, D. (2016) Housing need outcomes in England through changing times: demographic, market and policy drivers of change, *Housing Studies*, 31(3), 243-268. DOI: 10.1080/02673037.2a015.1080817

²⁵ OBR (2016) *Economic and fiscal outlook, November 2016*. London: The Stationery Office.

5.3 per cent below 2008 levels, despite a modest return to positive wage growth in 2015 and 2016.²⁶ On the latest Office for Budget Responsibility forecast it will now be 2022 before real earnings return to their 2008 levels.²⁷

Deep concerns remain about the shortfall in the levels of new house building in England relative to levels of household formation, in a context where there are already substantial numbers of ‘concealed’ and ‘sharing’ households, and severe levels of overcrowding in London in particular (see above). While there was a welcome upturn in the level of new house building in 2015/16, and a marked growth in new dwellings created through conversions and changes of use, the overall rate of new housing provision would still need to increase by another one fifth from the last financial year’s level (of 189,650) just to keep pace with new household formation, let alone to reduce housing market pressures.²⁸ New build figures for the first half of 2016/17 are slightly up, but not sufficient to suggest any significant reduction in the continuing shortfall in supply. While the 2016 Autumn announcement of grant support for 40,000 affordable housing dwellings over the next four years is welcome, as is the tenure flexibility permitted over the use of this grant, social landlords’ investment capacity will continue to be constrained by the 1 per cent annual rent reduction policy, and it remains very much in doubt that the resulting homes will in fact be accessible to the bulk of those at risk of homelessness. Further details on the planning and other measures intended to improve the supply of housing are expected in a White Paper early in the new year.

We have a particular focus in this year’s Monitor on ‘access to housing’. This focus was prompted by the concerns expressed last year about “who will house the poorest?”, in light of the combined impacts of rising housing market pressures and the ongoing roll out of welfare reform in narrowing the availability of housing which is genuinely affordable to those on the lowest incomes. However, the picture emerging from this year’s analysis is far from encouraging: social sector new build and lettings²⁹ are at historically low levels, there is an ongoing shift towards so-called ‘affordable’ rental products which are in fact beyond the reach of those on the lowest incomes, and Local Housing Allowance maxima are increasingly adrift of private sector rents.

There is little doubt that the absolute shortage of genuinely affordable housing for low income households in large parts of the country continues to be intensified by welfare policy. The benefit cuts introduced in this decade, and those planned for coming years will cumulatively reduce the incomes of poor households in and out of work by some £25 billion a year by 2020/21.³⁰ This is in a context where existing welfare cuts, economic trends and higher housing costs associated with the growth of private renting have already increased poverty to record levels among members of working families.³¹

The homeless groups local authorities experience most difficulty rehousing according to our 2016 survey results – single people under 35 and large families – render transparent these welfare reform impacts. While the overall benefit cap has had a limited impact thus far, this will increase fourfold

26 ONS (2016) *Annual Survey of Hours and Earnings: 2016 Provisional Results*. <https://www.ons.gov.uk/employmentandlabourmarket/peoplein-work/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults#distribution-of-earnings>. This is based on median full time earnings figures, and the CPI measure of inflation.

27 OBR (2016) *Economic and Fiscal Outlook, November 2016*. London: The Stationery Office.

28 DCLG (2016) *Net Supply of Housing: 2015-16 England*. London: DCLG.

29 DCLG (2016) *Social Housing Lettings: April 2015 to March 2016, England*. London: DCLG.

30 Beatty, C. & Fothergill, S. (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

31 Tinson, A, Ayrtton, C, Barker, K, Born, B, Aldridge, H & Kenway, P (2016) *Monitoring Poverty and Social Exclusion 2016*. York: JRF.

with the advent of the lower caps announced in the Summer 2015 Budget, and will make it highly problematic for larger families not just in London, but across the country. Meanwhile, the reforms announced in the summer 2015 Budget and Autumn Statement mean that younger single people who will either potentially be entirely excluded from support with their housing costs (if 18–21 and not subject to an exemption), or subject to the very low Shared Accommodation Rate limits on eligible rents in the social as well as the private rented sector.

Moreover, the overwhelming majority (89%) of local authorities are concerned that the roll out of Universal Credit will exacerbate homelessness further, mainly because of the move away from direct payment of rent to landlords and the pressures placed on vulnerable people by online application processes. The cuts to work allowances under Universal Credit announced in the 2015 Summer Budget will also significantly erode the potential ‘work incentive’ benefits of the scheme, and are only marginally mitigated by the reduction to the Universal Credit taper rate announced in the 2016 Autumn Statement.

From our research evidence it is clear that welfare reform has been making both private landlords³² and housing associations more risk averse with regard to letting to households in receipt of benefit. It is also evident that certain local authorities are using 2011 Localism Act powers to severely restrict access to their housing registers, excluding some statutory homeless households from eligibility, notwithstanding the highly questionable legality of this practice.³³ The mainstream housing options available to many local authority officers for discharge

of the main homelessness duty are therefore narrowing rapidly. So, despite the continued growth in the overall size of the private rental sector, which is now larger than the social rental sector in England, most local authority respondents in 2016 reported that assisting applicants to access self-contained private rental housing was a difficult task. For half of all responding local authorities nationally (49%), and virtually all in London (94%), this was described as “very difficult”. The scenario for access to social tenancies was not much better, with almost two-thirds (64%) of respondents reported difficulties in accessing these for their homeless applicants, and three-quarters of respondents in London commenting that this was “very difficult”.

The position on supported accommodation is, if anything, more concerning, with Supporting People services – and housing more generally – at the sharpest end of cuts in local government finance, executed in such a way as to hit poorer councils much harder than their wealthier counterparts.³⁴ While spending specifically on homelessness has increased (by 13%) since 2010, reflecting the priority given to this area by government, overall spending on housing dropped by 46 per cent in real terms, with an even larger cutback (67%) in the Supporting People programme. Consequently, the availability of suitable options for homeless people with complex needs, such as substance misuse or mental health problems, is diminished in many areas. While homelessness organisations have cautiously welcomed the recent decision to delay and mitigate the extension of the Local Housing Allowance caps to supported housing tenants, significant concerns remain about the effects on this sector of the 1 per cent social housing rent reduction still planned to

32 See also: Reeve, K., Cole, I., Batty, B., Foden, M., Green, S. & Pattison, B. (2016) *Home: No less will do: Homeless people’s access to the private rented sector*. London: Crisis.

33 Peaker, G. (2014) ‘Impossible Preference: Excluding the homeless from housing lists’ *Nearly Legal blog*, 28th January: <https://nearlylegal.co.uk/2014/01/impossible-preference-excluding-the-homeless-from-housing-lists/>

34 Hastings, A., Bailey, N., Bramley, G., Gannon, M. & Watkins, D. (2015) *The Cost of the Cuts: The impact on local government and poorer communities*. York: JRF.

come into force from April 2017. Our evidence also suggests that this shrinkage in floating support services has undermined (both private and social) landlord confidence about letting to these groups, further compounding the narrowing of access associated with welfare reform as just discussed.

One of the few encouraging developments over this past year has been the introduction of a Private Members Bill on homelessness. The origins of the Bill lie in the recommendations of an independent panel of experts, convened by Crisis in summer 2015 to assess the strengths and weaknesses of the existing statutory framework.³⁵ The Panel focused on two key problems with the current arrangements. First, the poor quality of support often received by ‘non-priority’ single people.³⁶ Second, that the growing post-2003 emphasis on preventative ‘Housing Options’ interventions (see above) sits uncomfortably alongside the formal statutory framework.³⁷

The Bill’s central provision is the introduction of a universal homelessness ‘prevention’ duty for all eligible households threatened with homelessness, as well as a ‘relief’ duty to take reasonable steps to help to secure accommodation for eligible homeless applicants regardless of priority need or intentionality status. The Bill also extends the definition of those considered ‘threatened’ with homelessness to encompass people likely to lose their home within 56 days, rather than 28 days as at present. Other key provisions pertain to enhanced advisory services, personalised housing plans, referral duties on the part of other public authorities, and the potential for codes of practice to be issued to local authorities in respect of their homelessness duties. The Bill received

its report stage and Third Reading on 27th January and will be passing through the House of Lords during February and March.

If enacted, the Homelessness Reduction Bill will not ‘fix’ the major structural challenges facing local authorities and their partners in preventing and tackling homelessness. Nonetheless, our evidence indicates that placing prevention work on a firmer statutory footing is widely felt to be an important ‘protective’ step as local budgets are squeezed ever tighter, especially in the poorest parts of the country, and there is significant support for extending meaningful support to single people. At the time of writing, the legislation was not yet ‘over the line’, with Parliamentary scrutiny ongoing. But for such a significant piece of homelessness legislation – progressive in intent – to be close to enactment is something that few would have predicted even a year ago.

Conclusion

Looking ahead there are multiple causes for concern, with the ongoing impacts of austerity-driven welfare reforms not only depleting the incomes of households vulnerable to homelessness, but also undermining the ‘pro-poor’ local authority services on which so many rely. Set against this, there appears to have been some softening of the official stance on social and affordable housing detectable in the new Government’s decision, for example, to make the ‘Pay to Stay’ policy voluntary for local authorities and to allow housing associations tenure flexibility in the deployment of the new investment grant. By the time of next year’s Homelessness Monitor we shall know whether the Homelessness Reduction Bill

³⁵ Crisis (2016) *The Homelessness Legislation: An independent review of the legal duties owed to homeless people*. London: Crisis. It should be acknowledged that one of the current authors chaired this Panel.

³⁶ Dobie, S., Sanders, B., & Teixeira, L. (2014) *Turned Away: The treatment of single homeless people by local authority homelessness services in England*. London: Crisis; Mackie, P. with Thomas, I. (2014) *Nations Apart? Experiences of single homeless people across Great Britain*. London: Crisis.

³⁷ Fitzpatrick, S. & Pawson, H. (2016) Fifty years since *Cathy Come Home*: critical reflections on the UK homelessness safety net, *International Journal of Housing Policy*, 16(4), 543-555.

has passed into law, and we should have more certainty about the future funding arrangements for both supported and temporary accommodation. We will also be somewhat further down the line in terms of the roll out of Universal Credit and, at a bigger scale, the Brexit negotiations with the remaining EU member states should be well underway and at least some of the implications beginning to emerge. It has never been more important to follow closely the impact of these major social, political and policy developments – both positive and negative – on some of society's most vulnerable people. The Homelessness Monitor will continue to track developments over the course of the current Conservative Government until 2020.

1 Introduction

1.1 Introduction

This study provides an independent analysis of the impact on homelessness from recent economic and policy developments in England. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent market recovery, and also the impact of policy changes implemented under the Conservative-Liberal Coalition Government (2010-2015), and the post May 2015 Conservative Governments under Prime Ministers David Cameron and then Theresa May.

This sixth annual report provides an account of how homelessness stands in England in 2017 (or as close to 2017 as data availability will allow), and analyses key trends in the period running up to 2017. This year's report focuses in particular on what has changed over the past year. Readers who would like a fuller account of the recent history of homelessness in England should consult with the previous Homelessness Monitors for England, which are available on Crisis's website.³⁸ Parallel Homelessness Monitors are being published for other parts of the UK.

1.2 Definition of homelessness

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

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

Cutting across all of these categories, we pay particular attention to youth homelessness, given the profound impact of current welfare and housing policy developments on those aged under 25.

1.3 Research methods

Four main methods have been employed in this longitudinal study:

- First, relevant literature, legal and policy documents are reviewed each year.
- Second, we undertake annual interviews

with a sample of key informants from the statutory and voluntary sectors across England. The current sample of 14 key informants includes representatives of homelessness service providers, as well as other key stakeholders with a national overview of relevant areas of policy and practice in England (see Appendix 1 for the basic topic guide used, though note that this was tailored for each interviewee).

- Third, we undertake detailed statistical analysis on a) relevant economic and social trends in England; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above.
- Fourth, for the third year in a row we have conducted a bespoke online survey of England's 326 local authorities (in autumn 2016). The aim of this survey was to delve beneath the official statistics to enhance understanding of how housing market trends, welfare reforms, and other key policy developments have impacted on homelessness trends and responses at local level. An e-mail invitation to participate in the survey was sent to local authority homelessness contacts via the National Practitioner Support Service, and London Councils also assisted in chasing up responses. In all, 50 per cent of all local authorities in England submitted full responses to the survey, with a relatively even spread across all regions. See Appendix 2 for details.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.³⁹

Theoretical, historical and international perspectives indicate that 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, across countries, and between demographic groups.

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

The individual vulnerabilities, support needs, and 'risk taking' behaviours implicated in some people's homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. 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 financial circumstances. Thus, deteriorating economic conditions in England could also be expected to generate more 'individual' and 'interpersonal' vulnerabilities to homelessness over time.

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

³⁹ For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness. Chapter 3 shifts focus to the Government's welfare and housing reform agenda and its likely homelessness impacts. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in England, focusing on the four sub-groups noted above, but also includes a particular focus on young homeless people this year in light of the particular effects of welfare reform on this group. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2016, and from the statistical and qualitative information gleaned from this year's online survey of local authorities. In Chapter 5 we summarise the main findings of this year's report.

2 Economic factors that may impact on homelessness in England

2.1 Introduction

This chapter reviews recent economic and housing market developments in England, and analyses their potential impact on homelessness. In this year’s Monitor, we have a particular focus on ‘access to housing’, and this is explored with respect to all three main tenures in this chapter.

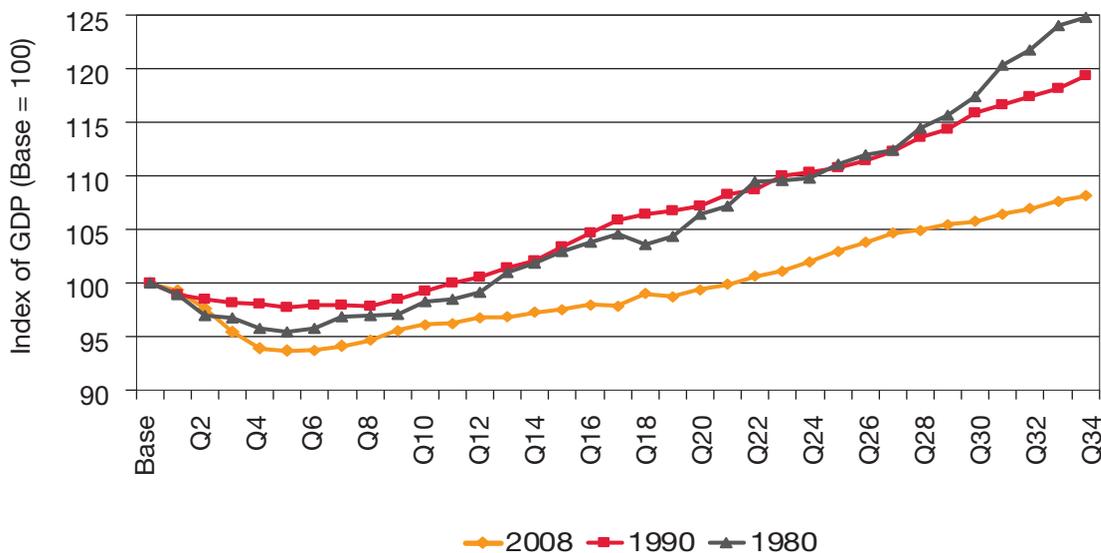
2.2 The broader economic context

While the UK’s gradual economic recovery continued through 2015 and into 2016, after the longest economic downturn for over a century, there is now considerable uncertainty

about the prospects in the coming years following the referendum vote in favour of leaving the European Union. The latest Office for Budget Responsibility (OBR) forecasts⁴⁰ are for slower growth than was anticipated ahead of the ‘Brexit’ vote. However, the OBR, and indeed any, economic forecast can only be provisional. All that is certain at this point is that the uncertainty about when, if, and on what terms the UK leaves the EU, will of itself act as a dampening factor on private sector investment, although this will be offset to some degree by the additional public sector infrastructure and housing investment announced in the Autumn Statement.⁴⁰

Within the wider economic recovery earned

Figure 2.1 Gradual UK economic recovery continues



Source: Computed from ONS Quarterly Gross Domestic Product data (ABMI)

40 HM Treasury (2016) Autumn Statement 2016, November 2016, Cm 9362. London: The Stationery Office.

incomes remain, in real terms, some 5.3 per cent below 2008 levels, despite a modest return to positive wage growth in 2015 and 2016 (when measured against the Consumer Price Index (CPI)).⁴¹ On the latest OBR forecast it will now be 2022 before real earnings return to their 2008 levels.⁴²

The latest OBR forecast is nonetheless for economic growth of 1.4 per cent in 2016 and 1.7 per cent in 2017, easing up to 2.1 per cent in 2018 and 2019. However, their forecast for those two years is unchanged from their March 2016 (pre Brexit) forecast. In practice the outcome will vary significantly depending on what (if anything) is known by then about the UK's future relations with the rest of Europe. It is also notable that the latest OECD estimates for UK economic growth in 2017 and 2018 are lower at 1.24 per cent and 0.96 per cent respectively.⁴³ Having fallen in 2016, unemployment is forecast to increase somewhat in the years ahead, but again these OBR forecasts must be regarded as uncertain and provisional.

While the new government has eased the fiscal stance and austerity measures inherited from its predecessors, the new approach is still heavily constrained by their concerns about total levels of government borrowing. The additional spending provision for the 'National Productivity Investment Fund' announced in the Autumn Statement will amount to £16.7 billion over four years, and of that £8.2 billion is for housing-related investment, including £3.5 billion for affordable housing. Otherwise the Autumn Statement was fiscally neutral, although this did include some slight easing to the cuts made to the Universal Credit regime announced in the 2015 Summer Budget. The housing

investment provisions are discussed further below, and the revisions to the Universal Credit regime are discussed in Chapter 3.

2.3 Housing demand and supply

Deep concerns remain about the shortfall in the levels of new house building in England relative to levels of household formation, in a context where there are already substantial numbers of 'concealed' and 'sharing' households, and severe levels of overcrowding in London in particular (see Chapter 4 below). The severity of overcrowding and the shortfall of supply are clearly significant factors in the much sharper rise in London house prices compared to the rest of the UK.

The latest 2014 based household projections for England suggest that household numbers will grow at an average rate of 227,000 a year over the decade to 2024.⁴⁴ However, the medium and longer term future is now far more uncertain following the Brexit vote, with the possibility that a post Brexit UK Government would impose stronger controls over inward migration. That said, the 2014 population projections assumed that inward net migration would decline to a long term annual rate of 170,000 by 2020/21, with a sharp fall in 2015/16 and a more gradual decline thereafter.⁴⁵ However, the latest migration figures for the UK show no significant change in migration levels in 2015/16, and apart from the anticipated slowdown in future economic growth, and the inherent uncertainty for new EU migrants about their subsequent status in the event of any post Brexit revision to UK migration

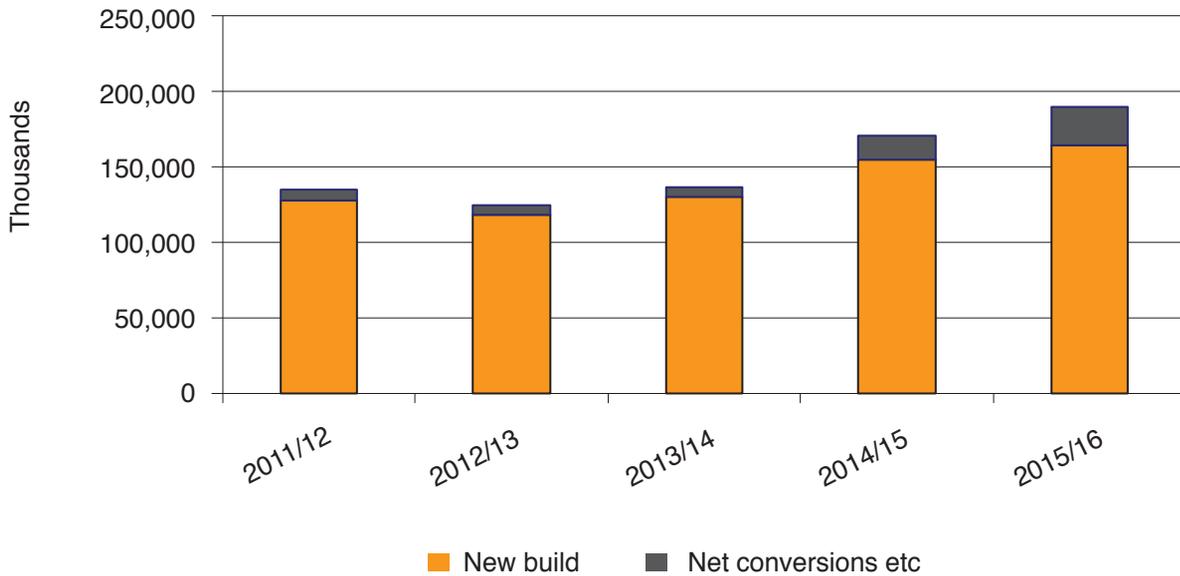
41 ONS (2016) *Annual Survey of Hours and Earnings: 2016 Provisional Results*. <https://www.ons.gov.uk/employmentandlabourmarket/peoplein-work/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults#distribution-of-earnings>. This is based on median full time earnings figures, and the CPI measure of inflation.

42 OBR (2016) *Economic and fiscal outlook, November 2016*. London: The Stationery Office.

43 OECD (2016) *Economic Outlook November 2016*. <http://www.oecd.org/economy/outlook/economicoutlook.htm>

44 DCLG (2016) *2014-based Household Projections: England, 2014-2039*. London: DCLG.

45 ONS (2015) *Migration assumptions*, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/compendium/nationalpopulationprojections/2015-10-29/migrationassumptions>

Figure 2.2 House building needs to rise sharply to match projected household growth

Source: Net supply of housing: 2015-16, England, DCLG.

policy, there is no firm basis on which to assume that net migration levels will fall rapidly ahead of greater clarity about the future migration policy regime.

In the immediate future there is thus no clear rationale for revising downwards the 2014 household projections. Moreover, it should be noted that the OBR made the cautious assumption in their latest economic forecasts that they would hold to the 2014 population projections on the basis that were it not for the potential new constraints following the Brexit vote, they would have otherwise increased their estimates to reflect the latest outturn data on net migration.

Consequently, even if an added measure of caution is appropriate, the 2014 household projections still provide the best estimate for the short term requirement – of an additional 227,000 dwellings a year – needed just to

crudely keep pace with household growth.

There was a welcome upturn in the level of new house building increased in 2015/16, and a marked growth in 2014/15 and 2015/16 in the contribution from dwellings created through conversions and changes of use (see Figure 2.2). This follows from amendments to permitted development rights in 2013 that made it easier to change buildings, such as offices, to residential use. The potential increase in output in 2015/16 would have been even greater were it not for the sharp decline in the completion of new affordable housing in the year (see below).

While the underlying improvement in the provision of new private sector housing is encouraging, the overall rate of new housing provision would still need to increase by another one fifth from the 2015/16 level (of 189,650) to just to keep pace with 2014-based

projections of new household formation, let alone to reduce housing market pressures (see Figure 2.2).⁴⁶ New build figures for the first half of 2016/17 are slightly up, but not sufficient to suggest any significant reduction in the continuing shortfall in supply. The new affordable housing funding and other measures announced in the 2016 Autumn Statement will be helpful, but their net impact will be limited and will not be felt until 2017/18. Further details on the planning and other measures intended to improve the supply of housing are expected in an imminent White Paper.

2.4 Access to home ownership

Our understanding of the UK housing market is now assisted by a new Office for National Statistics (ONS) UK House Price Index (UKHPI). This new index is more fully mix adjusted than its predecessor and provides a much better measure of the movements in house prices, that is not biased by changes in the mix of dwellings sold from one year to another.⁴⁷ The new data series does show that average English house prices did recover to 2007 levels during 2014, but the recovery was very uneven across the country. House prices in London have risen sharply since 2007, and were 48 per cent higher by 2015.⁴⁸ However as can be seen from Figure 2.3 the recovery in house prices was far more limited in other parts of England, and that house prices in the three northern regions were still below 2007 levels eight years later. It follows that, while there are acute affordability issues in London, with the differential in house prices between London and the rest of the country at unprecedented levels, the same does not apply in other parts of the country. Indeed only in London, the South East and the East of England were

house price to income ratios higher in 2015 than 2007. Moreover, average mortgage interest rates have fallen sharply since 2007 and even in London mortgage cost to income ratios were barely above 2007 levels in 2015. Indeed, as can be seen in Figure 2.4, after taking account of the changes in incomes and mortgage costs, housing market affordability in 2015 was significantly easier compared to 2007 levels in all parts of England outside London.

Although fears have been expressed about the potential impact on inflation of the Government's Help to Buy policies there is little evidence to support those concerns in practice. Despite the various Help to Buy measures announced, just 4.1 per cent of all mortgage advances involved a deposit of less than 10 per cent in 2014, and 3.4 per cent in 2015 – leaving the supply of mortgage finance for households with only a limited deposit far more constrained than at any time over the three decades before the credit crunch.

The continuing limitations on access to low deposit mortgages is consequently as much a constraint of the potential for younger households to become first time buyers as affordability itself. A further factor is the competitive advantage in the market place held by buy to let (BTL) investors compared to home owners – based on their ability to access interest only mortgages, while in the regulated market for home owners more expensive mortgages with some form of provision for capital repayment are now almost universally required.

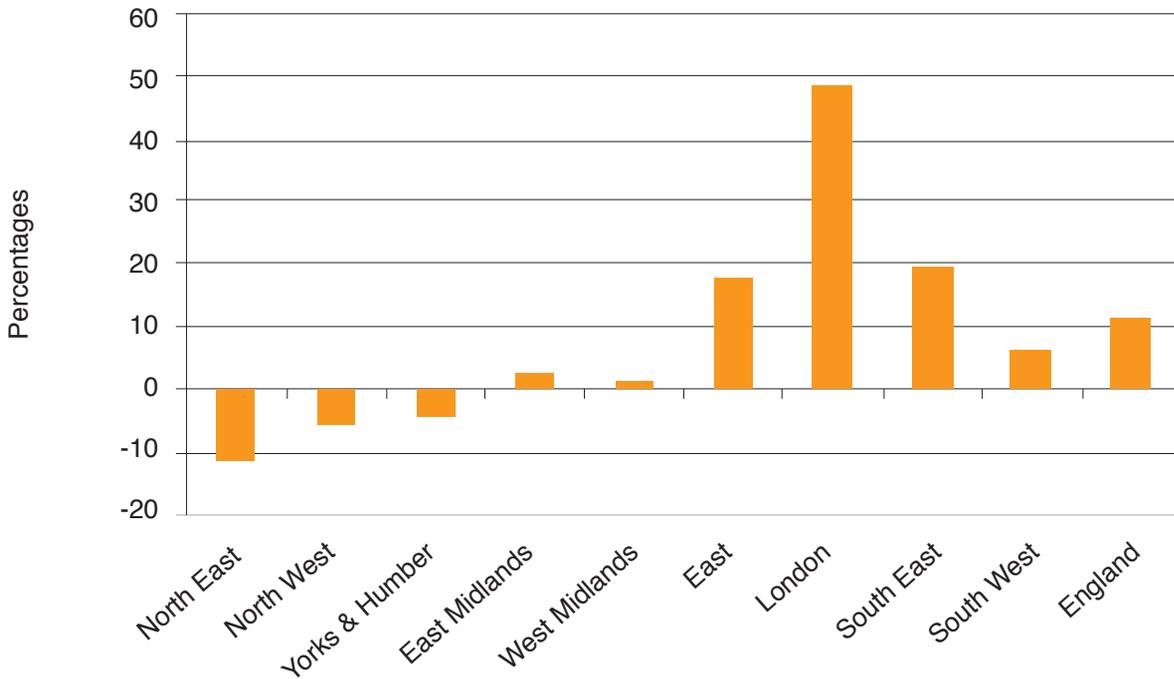
This market advantage has, however, now been partly offset by the Summer 2015 Budget decision to restrict mortgage interest tax relief for landlords to the basic rate of

⁴⁶ DCLG (2016) *Net supply of Housing: 2015-16 England*. London: DCLG.

⁴⁷ ONS (2016) *House Price Index: Sept 2016 and related data series*. See <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/previousReleases>.

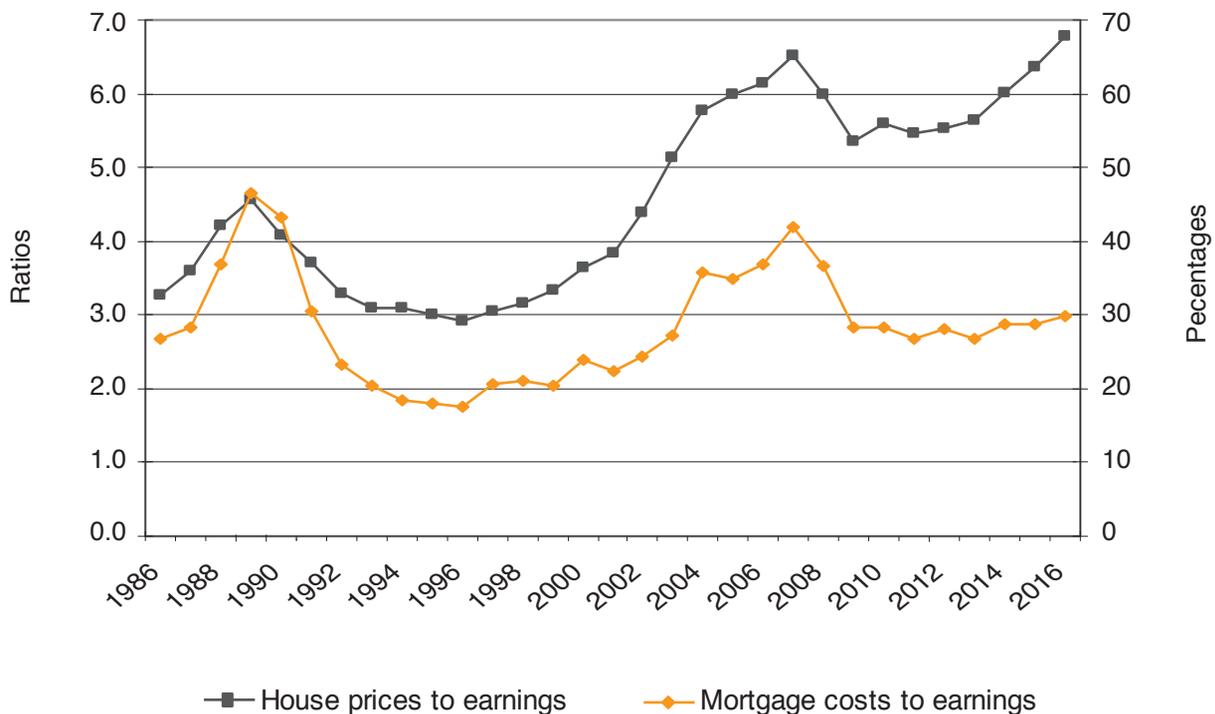
⁴⁸ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

Figure 2.3 Percentage changes in house prices between 2007 and 2015



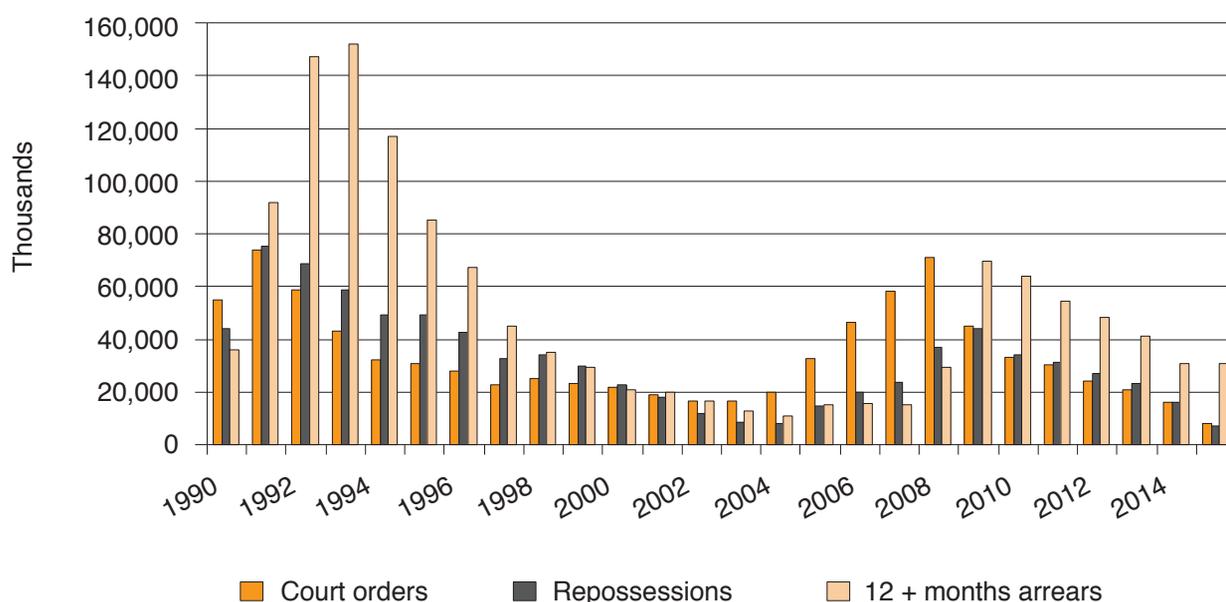
Source: ONS Mix Adjusted House Prices.

Figure 2.4 Housing market affordability in England



Sources: ONS Mix Adjusted House Prices; EFS Working Household Incomes; CMI Mortgage Rates

Figure 2.5 Mortgage arrears and repossessions continue to fall



Source: UK Housing Review 2017 (forthcoming) Table 51 and 53.

income tax, followed by the 2015 Autumn Statement decision to increase Stamp Duty for BTL (and second home) purchasers by 3 per cent from April 2016. Nonetheless new BTL mortgage lending for new purchases grew markedly in the year to the end of March 2016 (by 40%),⁴⁹ before falling sharply in the months after the new measures were introduced. It remains to be seen, however, whether that fall in the level of new BTL mortgages will continue, or whether it has been largely a function of BTL investors bringing forward new purchases so as to get ahead of the tax measures introduced in April 2016 (see further below). Evidence from a new survey does suggest that the new tax measures will lead to some landlords cutting back their involvement in the market, but

others expect to continue to increase their involvement.⁵⁰ The net effect of those landlord responses, as well as the impact on potential new entrants to the market, remains unclear.

As discussed in Chapter 4 below, mortgage repossessions continue to account for only a very small proportion of all statutory homelessness cases (just 1%). This is in part because the combined impact of low interest rates and lender forbearance has thus far held down both levels of the mortgage arrears, and the numbers of arrears cases resulting in repossession, since the 2007 downturn (see Figure 2.5). While court orders and repossessions fell sharply to historically low levels in 2015, the number of mortgagees with arrears of 12 months or more only fell

49 CML (2015) 'Mortgage advances pick up in the third quarter', CML Press Release, 11th November 2015: <https://www.cml.org.uk/news/press-releases/septembersecond-quarter-press-release/>

50 Scanlon, K. & Whitehead, C. (2016) *The Profile of UK private landlords*. London: CML.

marginally. This is in some measure because as average mortgage interest rates continue to fall, the same cash amount of arrears will represent a greater number of current monthly mortgage payments. It should also be noted that the Council of Mortgage Lenders (CML) mortgage repossession figures from 2006 now relate exclusively to owner occupiers, and exclude repossessions of properties financed with BTI mortgages.

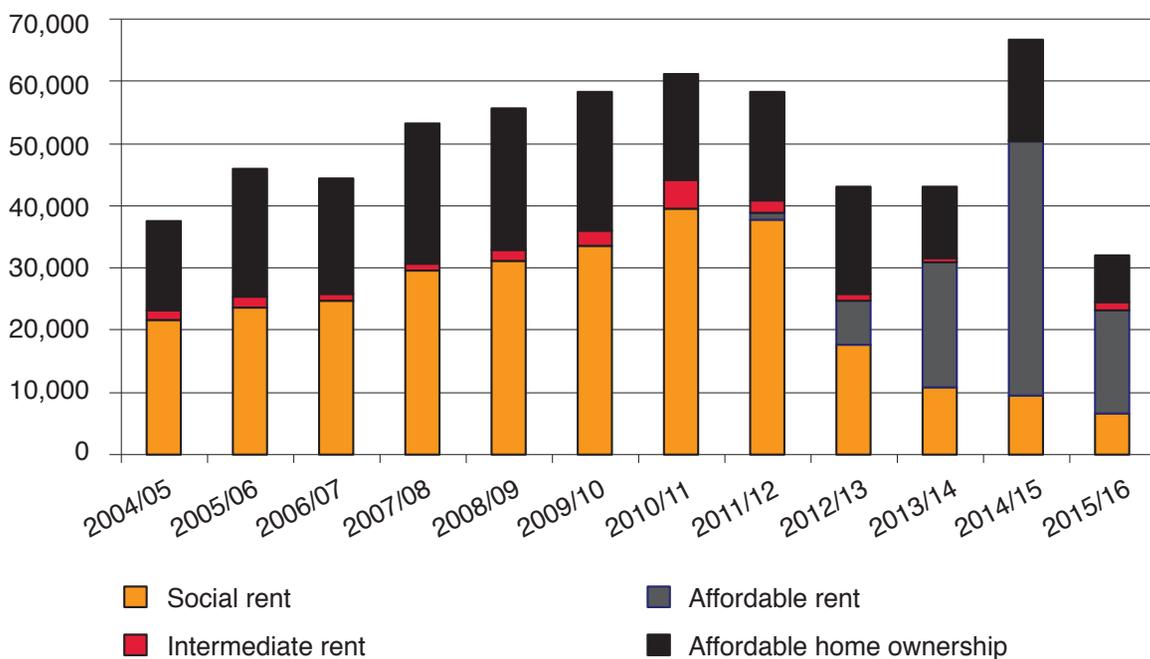
There is a continuing risk, however, that the mortgage repossessions could increase if and when higher interest rates begin to bear down on marginal homeowners, given the continuing limitations of the home owner safety net. Lender forbearance will be further tested by the Government proposal to reform the current Support for Mortgage Interest scheme, so that (from April 2018) any support

payments become recoverable, and a charge on the property.

2.5 Access to social and affordable housing

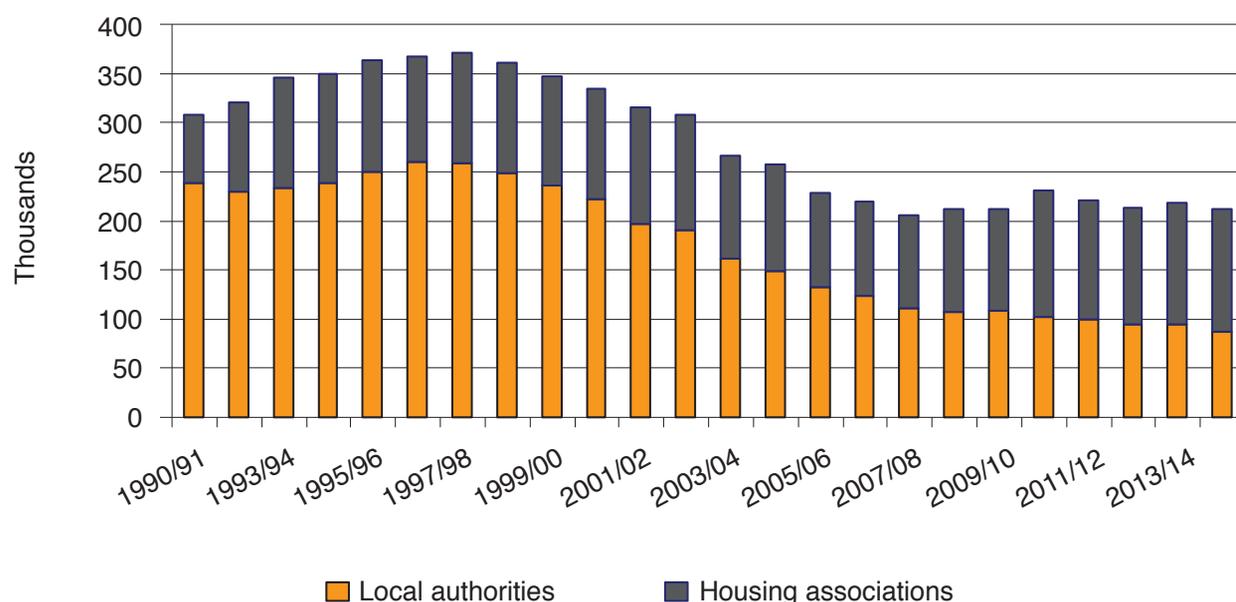
There was a marked fall in the supply of new social sector dwellings after 2011/12, and within that the provision of new social rent dwellings has been run down, and replaced by a focus on the provision of ‘affordable rent’ dwellings, at rent levels previously reserved for households with ‘intermediate’ incomes. There was a significant one off boost to the supply of affordable rented housing in 2014/15, before supply in 2015/16 fell even more sharply to the lowest level for over a decade (see Figure 2.6).

Figure 2.6 Supply of ‘affordable’ housing falls back



Source: Affordable Housing Supply: April 2015 to March 2016 England, Housing Statistical Release, Department for Communities and Local Government.

Figure 2.7 Social sector lettings to new tenants much lower than in the 1990s



Source: UK Housing Review 2016, Table 101.

However, the volatility of new affordable housing completions did not have such a dramatic impact on annual levels of new social sector lettings, not least because substantial numbers of year-end completions are only reflected in lettings numbers in the following financial year. Indeed, overall social sector general needs lettings to new tenants fell slightly in 2014/15, with the decline in new lettings made by local authorities more than offsetting the slight rise in new lettings by housing associations. The latest data shows a further decline in lettings in 2015/16 (Figure 2.7).⁵¹

Looking ahead, while social landlords' investment capacity will continue to be constrained by the rent reduction policy that remains in place, output of new

affordable housing will be boosted by the new Government's provision of an additional grant of £1.4 billion over the four years from 2017/18 to 2020/21, aimed to support starts of some 40,000 affordable housing dwellings during that period. While the switch away from shared ownership, with its lower grant rate requirement, also means that the total output from new housing association investment will fall over the period, there is also some uncertainty about the potential impact of the greater 'flexibility' to be given to housing associations on the tenure mix of their affordable housing output.

The piloting of the voluntary right to buy scheme for housing associations, now extended for another year, suggests further delays both to the full roll out of the right to

buy to the housing association sector, as well as the proposal to require local authorities to sell off their higher value stock. Neither of these schemes are therefore likely to have any significant negative impact on levels of social sector lettings in the near future. While all these 2016 Autumn Statement provisions are positive, they will still leave the levels of new affordable housing, and social sector lettings, at historically low levels.

Almost two-thirds of local authority (LA) respondents to this year's online survey (64%) reported that it was "somewhat difficult" or "very difficult" to access social tenancies for their homeless applicants, with fully three-quarters of respondents in London commenting that this was "very difficult" (see Appendix 1, Table 3a). One LA respondent spoke for many, particularly in London and the South, when they remarked:

"We have a decreasing stock of social rented housing and an increasing supply of unaffordable 'Affordable Rented' housing. Demand outstrips supply and therefore social housing is not accessible as a means of preventing homelessness." (LA respondent, the South, 2016)

Alongside frequently expressed concerns about an absolute shortage of social housing, there were a number of specific issues raised by LA respondents with regard to access to the available social lettings for their homeless applicants. Particularly in the South, housing associations were said to be increasingly selective regarding applicant incomes:⁵²

"[Housing associations] are carrying out strict affordability assessments to ensure properties are affordable to matched applicants on our housing register and those subject to the shared rate are

struggling to show affordability." (LA respondent, the South, 2016)

"Accessing social tenancies is becoming more difficult as registered providers are having to change their products in line with Government expectations – i.e letting more Affordable Rented and Intermediate Rented which require the applicants to have a minimum earned income." (LA respondent, the South, 2016)

"There is not enough housing either in the social sector or private sector that is willing to accept benefit claimants." (LA respondent, the South, 2016)

Another prominent theme, especially in the Midlands, was an apparently increased reluctance on the part of social landlords to house those with complex needs:

"Access to social housing has been made more difficult by RPs [Registered Providers] assessing potential tenants' 'tenant readiness' and their ability to afford the accommodation." (LA respondent, the Midlands, 2016)

"Social landlords require applicants to be tenant ready resulting in more vulnerable households being difficult to accommodate. Private and social landlords are also more reluctant to take households with support needs as support is limited due to cuts in Supporting People funding." (LA respondent, the Midlands, 2016)

"Social housing [landlords] are getting more strict in who they will accept in their tenancies. A person has to be somewhat tenant ready before they will consider a tenant, but those with more complex needs and needs support is increasingly difficult." (LA respondent, the Midlands, 2016)

52 See also LSE and Housing Plus Academy (2016) *Young Tenants Matter: Challenges and Opportunities for Under 35s*. Headlines from Policy Think Tank, 15-16th November 2016.

“Social landlords are refusing to house anyone with rent arrears or support needs meaning large numbers of our homeless population can’t be housed into the socially rented sector.” (LA respondent, the Midlands, 2016)

For some authorities in the Midlands and the North there was also the problem of household stock size mismatch to contend with:

“There is plenty of social stock in our LA area but it is the wrong stock, lack of smaller oneperson accommodation in both public and private tenures.” (LA respondent, the North, 2016)

“It is becoming increasingly difficult to secure council accommodation ... what properties are available are often too large for the household in question and applicants therefore become affected by the ‘Bedroom Tax’ immediately.” (LA respondent, the Midlands, 2016)

These housing access issues are strongly associated with various aspects of welfare reform, and also with the declining availability of revenue funding for housing support services for vulnerable people. These policy issues are discussed in Chapter 3. Several of our key informants took the view that, even with these acknowledged constraints, there was more housing associations could do to facilitate access to social housing for homeless people:

“I think they should rediscover their purpose. I think it’s very hard. I think they’re being pushed in a direction by government. They’ve been pushed in the direction of making surplus and

reinvesting for money and for properties for certain levels, but I think they need to start saying, ‘We’re here to provide housing for the whole of our community.’ If that means letting some housing at a loss, then they need to do it....” (Senior manager, single homelessness service provider, 2016)

There was, however, also appreciation for the position that housing associations found themselves in, at the same time as acute concern about the narrowing options available to LAs:

“I think relationships [with LAs] are really strained as it is and associations have got to look after their income. They’re more reliant now, in terms of their credit ratings, financing is different. It’s loan financing, rather than grant funding, necessarily. So I think that the amount of accommodation that’s going to be available for people to either avoid homelessness or to actually respond to it, is going to be really, really limited.” (LA key informant, 2016)

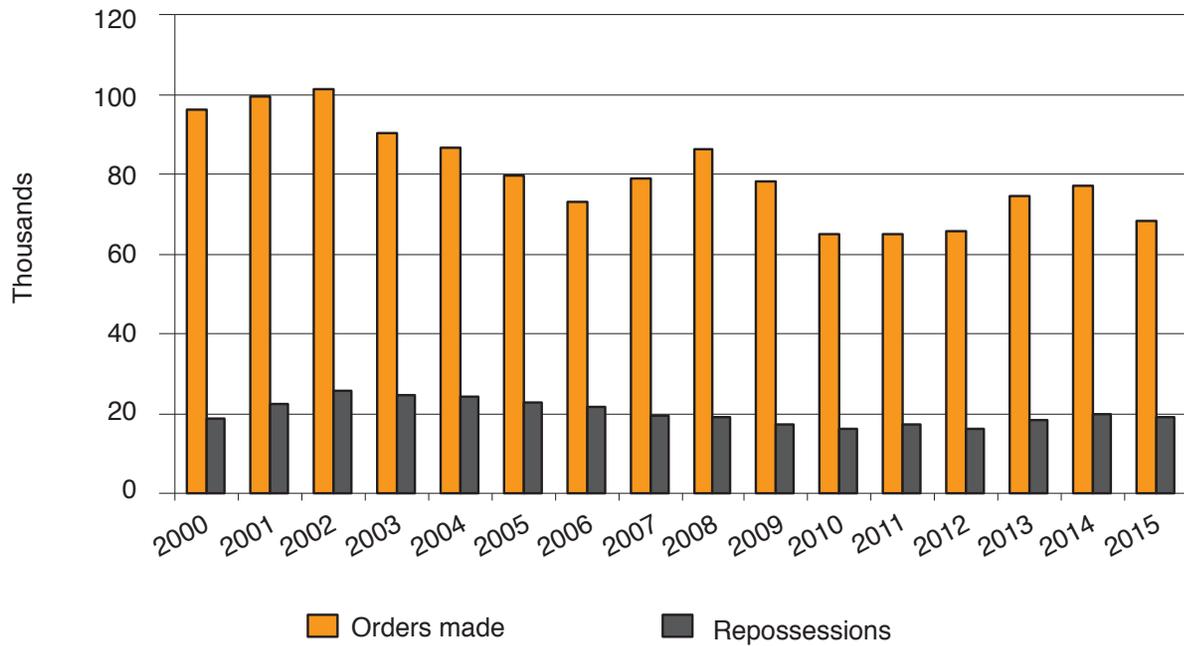
Unlike mortgage arrears (see above), rent arrears levels and associated evictions do not appear closely tied to general economic or housing market conditions, with both falling in the recent recession.⁵³ While there is clear evidence that the ‘Bedroom Tax’⁵⁴ and other welfare reforms have resulted in rent arrears for many of the impacted households (see Chapter 3), in overall terms there has been no increase in levels of current tenant rent arrears, not least due to the level of preventative and welfare measures adopted by social landlords in anticipation of those measures.⁵⁵ There was, however, a marked upturn in levels of social landlord possession actions in England in 2013 (see

⁵³ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis; Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.

⁵⁴ Officially this measure is known as the ‘Spare Room Subsidy limit’, but outside of government is it almost universally referred to as the ‘Bedroom Tax’. While neither term is entirely satisfactory we have here bowed to the majority usage.

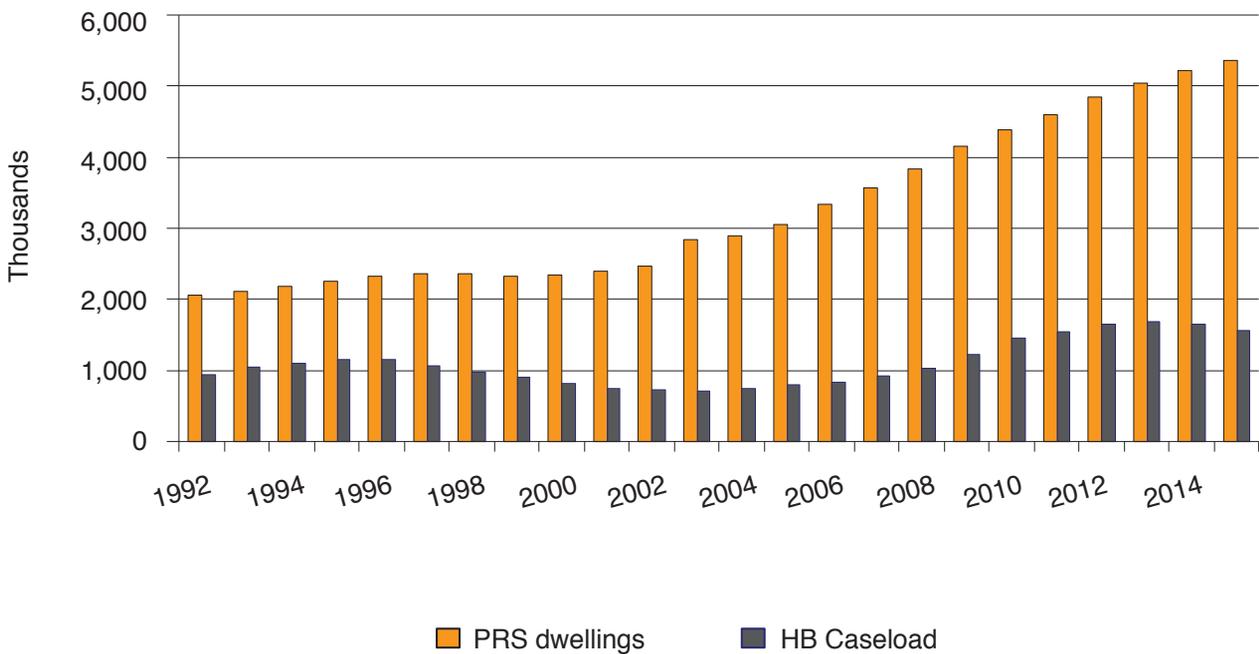
⁵⁵ HCA (2016) *Quarterly Survey of Private Registered Providers: April to June 2016*. London: HCA.

Figure 2.8 Social landlord possession actions and repossessions ease back in 2015



Source: Mortgage and Landlord Possession Statistics in England and Wales.

Figure 2.9 Growth of private rented sector continues



Sources: Data for Great Britain (estimated Housing Benefit figures for 2008). DCLG for stock data; DWP website for Housing Benefit data.

Figure 2.8), and while the numbers of new claims began to ease back a little in 2014, it was 2015 before there was any easing back in the numbers of court orders made, or repossessions, by county court bailiffs.

2.6 Access to private rented housing

The private rented sector (PRS) continued to grow in 2015, and while the impact of the tax changes noted above remains uncertain, the most likely outcome is that the sector will continue to grow in the years ahead, albeit at a slower rate. However, in recent years there has been no related growth in the numbers of low income households able to access the sector, and this is related to the welfare reforms discussed in the following chapter, and also identified by our survey respondents as outlined below.

Despite this continued growth in the overall size of the private rental sector, which is now larger than the social rental sector in England, most LA respondents in 2016 reported that assisting applicants to access self-contained private rental housing was a difficult task. For half of all responding LAs nationally (49%), and virtually all in London (94%), this was described as “very difficult” (see Appendix 1, Table 3(b)). These constraints were, however, strongly related to regional housing market context, and the North of England stands out as an area where an appreciable number of authorities reported it “fairly easy” to secure private sector tenancies (28%).⁵⁶

In most parts of the country, the combined effects of rising rents and Local Housing Allowance (LHA) restrictions (see Chapter 3) were said to be compounding a wariness on the part of many private landlords to house

benefit-reliant households.

“The LHA is now vastly less than your average rent, this makes most PRS property unaffordable, asking a landlord to accept a lower rent was once an option, the average difference between the LHA and the market rent is approx. £200, we have been unable to convince any landlord to reduce their rental expectations by £200.” (LA respondent, the Midlands, 2016)

“LHA is staggeringly out of step with actual market rents, to the extent that there are virtually no properties... let at LHA rates. Coupled with landlords increasing reluctance to accept people on benefits, and unwillingness to offer anything beyond an initial 6 month AST [Assured Short Tenancy] it is now all but impossible to place people into the private sector.” (LA respondent, the South, 2016)

“Rent is going up and LHA rates are not moving. People can no longer afford the top ups.” (LA respondent, the South, 2016)

“Market rent is significantly higher than LHA rents making PRS procurement in borough almost impossible.” (LA respondent, London, 2016)

These same factors were likewise identified by the respondents to our 2015 online survey as accounting for the rising tide of applicants made homeless after the termination of a private tenancy – a trend that has continued to intensify over the past year, as discussed in Chapter 4. Our respondents’ evidence on the difficulties in securing access to the PRS is further supported by the findings of recent research undertaken at Sheffield Hallam University.⁵⁷

⁵⁶ The specific difficulties that LAs face in helping single people under 35 to access shared accommodation in the private and social rental sectors is discussed in Chapter 3, alongside the growing challenges they report in accessing housing for larger families.

⁵⁷ Reeve, K., Cole, I., Batty, B., Foden, M., Green, S. & Pattison, B. (2016) *Home: No Less Will Do. Homeless people's access to the private rented sector.* Crisis: London.

More generally the growth of the PRS is a key factor in a trend towards higher housing cost to income ratios among working households. The average housing cost to income ratios are highest for households in the PRS – at close to 30 per cent. For home buyers with a mortgage they are below 25 per cent. The percentage for social renters is lower (below 20%), but has risen sharply (from below 15%) in the last four years. The net effect of the variations in housing costs within each tenure over time, and the relative growth of the PRS, is that for all working age households average housing cost to income ratios are now running close to 21 per cent, compared to an average of around 17 per cent in the 1990s.⁵⁸ Inherent in the trend towards higher housing cost to income ratios are greater risks for the security of households that suffer an adverse change of circumstances.

2.7 Key points

- While the UK economy has now clearly recovered from the credit crunch, future prospects have been negatively impacted by the referendum vote for the UK to leave the EU, and the uncertainty about what this will mean in practice. Although unemployment has been falling so have average real earnings – and they are not now forecast to return to 2007 levels until 2021.
- Despite the impact of the ‘Bedroom Tax’ and other welfare reform measures, there has been no overall rise in levels of social landlord rent arrears. There was an upturn in social landlord possession actions in 2013, although the resulting court orders and repossessions have subsequently eased back a little in 2015. There are nonetheless concerns that arrears and landlord possession actions could rise going forward, as the sustainability of current mitigation efforts are increasingly tested, and as a potential result of the further planned welfare reforms discussed in the following chapter.
- There has been some housing market recovery, especially in London, but this has been greatly exaggerated in media coverage. In the northern regions of the country house prices in 2015 remained below 2007 levels. Once the lower interest rates and modest levels of earnings growth over the period are taken into account, mortgage affordability pressures for all regions outside London were well below the 2007 peak levels in 2015. However, in London, which has seen an exceptional level house price growth since 2007, affordability pressures now greater than they were in 2007. Looking ahead housing market pressures are set to grow as new house building rates remain some way below projected levels of household formation. At the same time, there is now much greater uncertainty about future levels of household formation following the Brexit vote.
- The capacity of the social rented sector to meet housing needs will continue to be tested in the years ahead, despite the new governments injection of new funds to modestly increase the supply of affordable housing from 2017/18. Almost two-thirds of respondents to our 2016 LA online survey reported difficulties in accessing social tenancies for their homeless applicants, with three-quarters of respondents in London commenting that this was “very difficult”. As well as emphasising the absolute shortage of social lettings in their area, many LA respondents also asserted that housing

⁵⁸ Clarke, S., Corlett, A. & Judge, L. (2016) *The Housing Headwind: The impact of rising housing costs on UK living standards*. London: Resolution Foundation.

associations were becoming increasingly selective regarding applicant incomes and independent living skills.

- Despite a continued growth in the overall size of the private rental sector, which is now larger than the social rental sector in England, half of all LAs in England, and virtually all in London, described it as “very difficult” to assist their applicants into private rental tenancies. These difficulties were attributed to the combined effects of rising rents and welfare benefit restrictions.
- The longer terms trend towards higher housing cost to income ratios for all working households, in which the growth of private renting is an important factor, increases the risks to the security of households that suffer an adverse change of circumstances.

3 Government policies potentially impacting on homelessness in England

3.1 Introduction

Chapter 2 considered the homelessness implications of the post-2007 economic downturn and subsequent recovery. This chapter now turns to review policy developments under the Coalition and now Conservative Governments that might be expected to affect homeless people and those vulnerable to homelessness, particularly in the fields of housing, homelessness, welfare reform, and local government finance. Across this year's Monitor we are paying particular attention to the cross-cutting theme of 'access to housing'. While in Chapter 2 we considered this topic from the perspective of different tenures, in this Chapter we consider access to housing of different groups of homeless and potentially homeless people. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter are evident in trends in national datasets.

3.2 Housing and homelessness policies

We have argued in previous Monitors that the Localism Act (2011), together with the broader welfare reform agenda, served to undermine core aspects of the national 'housing settlement' in the UK, which has historically played an important role in moderating the impact of the UK's relatively high poverty levels.⁵⁹ The significant reforms to Housing Benefit and other aspects of welfare are discussed in the next section of this Chapter. Here we consider the potential impacts of ongoing changes to housing policy under the rubric of localism and

devolution, as well as key developments on statutory homelessness law and policies, supported and temporary accommodation, and youth homelessness.

Housing policy, localism and devolution

The Localism Act 2011 ushered in a range of significant changes to social housing policy in England, including fixed-term 'flexible' tenancies (FTTs), 'Affordable Rent' of up to 80 per cent of market levels, easier arrangements for LAs to discharge the main homelessness duty via the offer of a private tenancy, and new powers for LAs to restrict eligibility for access to social housing (albeit that statutory 'reasonable preference' criteria prioritising certain groups, including homeless households, remained).

In this year's online survey, we tested LAs' views on the 'localism' agenda's implications for homelessness more generally, prompting them to consider not only the scope for more localised decision making on social housing allocations and neighbourhood planning, for example, but also the increased emphasis on locally-determined forms of welfare such as Discretionary Housing Payments, Local Welfare Assistance funds and Council Tax support schemes.

Almost two thirds of respondents reported that the localism agenda had resulted in some homelessness-related consequences. For most (48% of all respondents), these consequences were 'mixed' – i.e. both exacerbating the problem and helping authorities to better manage it. Open-ended responses highlighted that, for some, the main 'positive' component of the Localism Act had been the ability to restrict access

59 See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: England 2013*. London: Crisis/JRF.

to the housing register and in this way ‘better manage demand’, while many others referred to the permission to discharge full homelessness rehousing duty via a private rental tenancy offer. References to the latter tended to cast this ‘flexibility’ as a positive step, but it was frequently qualified by the disabling effect of welfare reform:

“Introducing private rented sector offers has had a positive impact in managing expectations ... Homelessness had become a perverse incentive to ‘get a council house’. Localism has helped in communicating a different message to change that perception.” (LA respondent, the South, 2016)

“Being able to discharge a homelessness duty into the PRS was a fantastic change initially. Following the PRS tax changes, the rise in PRS rents, the freezing of the LHA, the PRS is no longer affordable so the Localism changes are [now] having no impact.” (LA respondent, the Midlands, 2016)

Some LAs emphasised the scope for the local coordination of welfare funds, especially Discretionary Housing Payments (DHPs):

“Having locally determined forms of welfare such as Discretionary Housing Payments, Local Welfare Assistance Funds has helped us to target these funds to preventing and relieving homelessness. Bringing together this type of support, budgeting, employment and homelessness support has enabled us to stabilise households’ position more effectively.” (LA respondent, London, 2016)

While no LAs reported that the localism agenda had been entirely positive with respect to its homelessness effects, for 15 per cent of survey respondents the impact had been wholly negative. This included those citing the ‘exclusionary’ impact of demanding residency rules

introduced into their own LA’s allocations policies (also often mentioned by those reporting mixed impacts):

“More restrictive social housing allocation policies resulting in lack of move on opportunities and significant increase in numbers in TA [Temporary Accommodation].” (LA respondent, the North, 2016)

“We have a 5 year residency rule which means 50% of homeless families cannot apply for social housing plus other rules.” (LA respondent, the South, 2016)

“More groups of people now reliant on DHP due to [welfare] cuts. There is no funding for local welfare assistance funds. CTSS [Council Tax Support scheme] changed eligibility which reduced the number of people able to access this.” (LA respondent, the South, 2016)

Others judging that there had been mixed or negative impacts of localism made the link with the earlier decision to give LAs freedom over how to spend their nominally allocated Supporting People grant:

“I think there are some positive aspects to localism affording communities greater involvement in decision making but equally there are negatives such as allowing councils to make decisions locally especially where ring fenced money has been concerned as this is no longer spent as intended in our area such as the Supporting People grant.” (LA respondent, the Midlands, 2016)

Others disputed that the localism agenda had in reality increased local levels of control:

“Localism was merely the government’s way of absolving itself of any responsibility for housing and homelessness. I would argue that the Government has prescribed more restrictions under supposed Localism

than before (pay to stay, fixed term tenancies, local connection). It is a fallacy that localism has given local authorities the power to make local decisions.” (LA respondent, the South, 2016)

This last quotation makes the link to the more recent Housing and Planning Act 2016, which contains a wide range of reforms with the potential to impact significantly on social and affordable housing (see Chapter 2). This includes measures which push the localism agenda significantly further than the 2011 Act, in part via the imposition on LAs of measures promoted previously as local ‘flexibilities’. Thus the previous Conservative Government, under David Cameron, had originally sought to use the 2016 Act to compel the use of FTTs of between two and five years in virtually all new council house lettings, and to require LAs to charge tenants with household incomes above £31,000 (£40,000 in London) to pay up to market rent. After suffering numerous defeats in the House of Lords, the it made a series of concessions on both policies, including raising the maximum fixed term of FTTs to 10 years for some groups and to cover the period that a child is in school education (up to age 19), and introducing a payment taper under Pay to Stay. In signaling the somewhat different stance on social housing being taken by the new Conservative Government under Theresa May, the current Housing Minister announced shortly before the 2016 Autumn statement that the Pay to Stay policy would no longer be imposed on LAs,⁶⁰ though it seems that the issuing of FTTs will remain compulsory for councils.⁶¹ The 2016 Act also included statutory arrangements for the voluntary Right to Buy for housing association tenants, and the introduction of Starter Homes requirements as part of the affordable housing contribution to section 106.

Almost two thirds of LA respondents (64%) believed that the Housing and Planning Act 2016 changes would impact on homelessness, with most explaining in their ‘open-ended’ responses that they expected the impact to be negative. Most frequently mentioned here were the reduction in social housing provision resulting from the voluntary Right to Buy for housing association tenants and the associated mandatory sales of high value council properties (but as discussed in Chapter 2, judging by the 2016 Autumn Statement it seems likely that both of these policies will now be further delayed). The re-definition of ‘affordable housing’ to encompass ‘starter homes’ was also widely noted as problematic.

“The extension of Right to Buy will over time reduce the number of properties available for social rent (past experience suggests that the stock will not be replenished on a one to one basis as intended) and therefore... [reduce] the number of properties available to LAs to discharge their duties around homelessness.” (LA respondent, the North, 2016)

“Voluntary RTB [Right to Buy] will remove already scarce supplies of social housing, at a time when the PRS is moving further out of reach. The only practical way to increase these stocks was through S106 agreements which have now been effectively removed as far as homelessness is concerned. Starter Homes are NOT an option as far as homeless clients are concerned.” (LA respondent, the South, 2016)

At the same time, a few respondents believed that one specific measure – namely the mandation of fixed-term tenancies in council

60 Apps, P. (2016) ‘Government scraps compulsory Pay to Stay’, *Inside Housing*, 21st November: <http://www.insidehousing.co.uk/policy/welfare-reform/government-scraps-compulsory-pay-to-stay/7017754.article>

61 A decision on whether to extend mandatory FTTs to new housing association tenants had previously been delayed by the Cameron administration in light of the reclassification of associations as ‘public corporations’ a decision which the Government is keen to have reversed. The Government also decided to make Pay to Stay policy voluntary for housing associations for the same reason (see last year’s Monitor for details).

housing – could be beneficial in terms of homelessness:

“The introduction of fixed-term tenancies may result in more properties being available to homeless households, if fixed-term tenancies are not extended.” (LA respondent, the South, 2016)

“End of secure tenancies can be a good thing as private housing is cheap in this area so people should be encouraged in to home ownership.” (LA respondent, the North, 2016)

Nevertheless, pointing to this same measure, many others believed that its effects would or could be negative for homelessness:

“It is unclear what will happen to tenants on time limited tenancies... Some may face repeat homelessness at the end of the period.” (LA respondent, the South, 2016)

“The ending of secure social tenancies is likely to see an increase in homelessness in the future.” (LA respondent, the North, 2016)

It is worth noting here that research has indicated that the additional tenancy turnover generated by FTTs is likely to be very marginal, and heavily outweighed by the detrimental impacts on some tenants’ sense of security and landlords’ administrative burden.⁶²

In order to explore any relevant implications of one of the flagship policies of the previous Conservative Government, under David Cameron, this year’s survey also asked respondents whether they anticipated that

city region devolution or elected mayors might impact on homelessness. It is notable that a range of Mayoral candidates have pledged to tackle homelessness in their area.⁶³ However, discounting the councils unaffected by these measures, only a small proportion of authorities (17%) thought that they would make a difference in this respect – 12 per cent believing that the difference would be positive and 5 per cent that it would be negative. Some of our key informants felt that this development would excite more interest by this time next year, and took an upbeat view of the possible impacts:

“... it could be a real opportunity to do something more creative and cross boundary and look at the whole system... So greater devolution, public service transformation, funding, et cetera, et cetera could create greater opportunity... I’m quite optimistic about [it]... because sometimes I just think people need to be able to think bigger outside the box” (Senior manager, youth homelessness service provider, 2016)

Statutory homelessness

One of the most important developments over this past year has been the introduction of a Private Members Bill on homelessness, which at the time of writing was being scrutinised by MPs in the Committee Stage of its passage through Parliament. The origins of the Bill lie in the recommendations of an independent panel of experts, convened by Crisis in summer 2015 to assess the strengths and weaknesses of the existing statutory framework.⁶⁴ The Panel focused on two key problems with the current arrangements. First, the fact that the distinction between ‘priority’ and ‘non priority’

⁶² Fitzpatrick, S. & Watts, B. (2017) Competing visions: security of tenure and the welfarisation of English social housing, *Housing Studies*. <http://www.tandfonline.com/doi/full/10.1080/02673037.2017.1291916>

⁶³ For example, see Williams, J. (2017) ‘Mayoral candidate Andy Burnham promises to wipe out rough sleeping by 2020’, *Manchester Evening News*, 20th January: <http://www.manchestereveningnews.co.uk/news/greater-manchester-news/andy-burnham-homelessness-manchester-mayor-12478558>; Walker, J. (2016) ‘Mayor candidates vow to cut homelessness across the West Midlands’, 22nd December: <http://www.birminghammail.co.uk/news/midlands-news/mayor-candidates-vow-cut-homelessness-12349669>

⁶⁴ Crisis (2016) *The Homelessness Legislation: An independent review of the legal duties owed to homeless people*. London: Crisis. It should be acknowledged that one of the current authors chaired this Panel.

groups embedded within the legislation from the outset means that most single people are entitled only to advice and assistance, rather than settled (or indeed temporary) housing, with research and case-law repeatedly demonstrating that the support they receive is often of very poor quality.⁶⁵ Second, that the growing post-2003 emphasis on preventative ‘Housing Options’ interventions sits uncomfortably alongside the formal statutory framework.⁶⁶

The Crisis Panel considered the recent Scottish experience, wherein the Homelessness etc. (Scotland) Act (2003) abolished the priority need criterion altogether, such that virtually all homeless people in Scotland are entitled to settled housing.⁶⁷ However, considered more feasible in the highly pressured housing market context of England, was the approach encapsulated in the Housing (Wales) Act (2014), which sees emphasis placed on prevention and relief duties owed to *all* eligible households which are homeless or at risk, regardless of priority need status.⁶⁸ While it remains early days for the operation of this ‘Welsh model’, which came into force in April 2015, indications thus far are promising as to its effectiveness.⁶⁹

The main proposals of the Panel were contained in a Private Members Bill sponsored by Conservative backbench MP, Bob Blackman. The *Homelessness Reduction Bill 2016-17*, was introduced on 29th June 2016, and received its Second Reading on 28th October 2016, with the Government confirming that it would support the Bill on 24th October. The Communities and

Local Government (CLG) Select Committee took evidence on the draft Bill before its formal publication – having committed to doing so when they published the report of their Inquiry into Homelessness in August 2016. The Committee was supportive of the Homelessness Reduction Bill, but recommended a number of amendments, alongside a “renewed cross-Departmental strategy” to tackle homelessness. While still broadly in line with the recommendations of the Crisis Expert Panel, and the ‘Welsh model’, the revised version of the Bill was somewhat different from the draft considered by the CLG Committee, and it was amended further in Committee.⁷⁰ It received its report stage and Third Reading on 27th January 2017 and will pass through the House of Lords during February and March.

Its central provision is the introduction of a universal homelessness ‘prevention’ duty for all eligible households threatened with homelessness, as well as a ‘relief’ duty to take reasonable steps to help to secure accommodation for eligible homeless applicants regardless of priority need or intentionality status. The Bill also extends the definition of those considered ‘threatened’ with homelessness to encompass people likely to lose their home within 56 days, rather than 28 days as at present. Other provisions cover enhanced advisory services, duties to assess all eligible applicants’ cases and to agree, and keep under review a personalised housing plan, and clarification of the circumstances under which care leavers should be treated as having a local connection with a local authority. There is also proposed to be a new duty on public

⁶⁵ Dobie, S., Sanders, B., & Teixeira, L. (2014) *Turned Away: The treatment of single homeless people by local authority homelessness services in England*. London: Crisis; Mackie, P. with Thomas, I. (2014) *Nations Apart? Experiences of single homeless people across Great Britain*. London: Crisis.

⁶⁶ Fitzpatrick, S. & Pawson, H. (2016) Fifty years since *Cathy Come Home*: critical reflections on the UK homelessness safety net, *International Journal of Housing Policy*, 16(4), 543-555.

⁶⁷ Bate, A. (2016) *Comparison of Homelessness Duties in England, Wales, Scotland and Northern Ireland*. House of Commons Library Briefing Paper 7201. <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7201>

⁶⁸ Ibid; Mackie, P. (2015) Homelessness prevention and the Welsh legal duty: lessons for international policies, *Housing Studies*, 30(1), 40-59.

⁶⁹ House of Commons Communities and Local Government Committee (2016) *Homelessness. Third Report of Session 2016-17*. <https://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/40/40.pdf>

⁷⁰ House of Commons (2017) *Homelessness Reduction Bill - As Amended in Public Bill Committee*. <http://www.parliament.uk/documents/commons-public-bill-office/2016-17/compared-bills/Homelessness-Reduction-bill-tracked-changes-170119.pdf>

services to make a referral to a local housing authority if they come into contact with someone they think may be homeless or at risk of becoming homeless. The Secretary of State would also have the power to issue codes of practice in relation to the performance of their homelessness duties by some or all local authorities.

The Bill has attracted strong support from across the voluntary sector⁷¹ and MPs from all sides of the House of Commons spoke in support of it at Second Reading.⁷² After some particularly controversial clauses from the local authority perspective were removed in the second draft of the Bill – in particular a 56 day accommodation duty for those with nowhere safe to stay regardless of priority need status – the Local Government Association (LGA) softened its earlier opposition on condition that councils were fully funded to meet their new duties.⁷³ The LGA subsequently called on the Government to commit to undertaking a comprehensive and regular review of the Bill’s financial and other impacts following implementation.⁷⁴ On the 17th January the Homelessness Minister announced that £48million would be made available to LAs, over the next two financial years, to fund the implementation costs of the Bill, and that this allocation would be reviewed in the light of the final form of the legislation as passed.⁷⁵ The amount was increased to £61million at Third Reading on 27th January.

We asked LAs in this year’s survey both about their familiarity with the content of the Homelessness Reduction Bill, as first published on 26th August,⁷⁶ and what

they judged to be its main benefits and implementation challenges, and how they could be best supported to meet those challenges. The great majority of LAs (83%) reported that they were ‘very’ or ‘fairly’ familiar with the Bill content, with familiarity generally highest in London. Many responding LAs took the opportunity to offer qualitative comments on the pros and cons of the proposed legislation.

Among the perceived benefits of the Bill were:

“Adoption of a model similar to that implemented in Wales would place a much greater emphasis on prevention and there is no reason why the benefits seen in Wales would not be felt in England.” (LA respondent, the Midlands, 2016)

“It will standardise the approach to preventing homelessness. This is welcomed as we recognise the need to do this across all LAs.” (LA respondent, London, 2016)

“Advice and assistance for all, no one ‘turned away’, possible reduction in rough sleeping.” (LA respondent, the South, 2016)

“Gives local authorities the opportunity to intervene earlier to prevent homelessness. Will help more people who under the current legislation are considered non priority.” (LA respondent, the North, 2016)

In a slightly different vein, for some LA respondents, particularly in the South,

71 Fitzpatrick, S. & Pawson, H. (2016) Fifty years since *Cathy Come Home*: critical reflections on the UK homelessness safety net, *International Journal of Housing Policy*, 16(4), 543-555

72 See <https://hansard.parliament.uk/commons/2016-10-28/debates/D25DDE1B-CE4D-4887-A9DD-A45F8D3890D6/HomelessnessReductionBill>

73 Tanner, B. (2016) ‘Homelessness Bill: LGA maintains councils need more’, *24 Dash*, 28th October: <http://www.24housing.co.uk/news/homelessness-bill-lga-maintains-councils-need-more/>

74 LGA (2016) *Local Government Association briefing. Homelessness Reduction Bill. House of Commons Public Bill Committee.* <http://www.local.gov.uk/documents/10180/5533246/301102016+LGA+briefing+-+Homelessness+Reduction+Bill,%20House+of+Commons+Public+Bill+Committee,%20Wednesday+30+November+2016/9630630f-db40-4b5e-82d1-4b2a06784069>

75 Jones, M. (2017) *Homelessness Reduction Bill: Written statement - HCWS418.* <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-01-17/HCWS418/>

76 Though it is worth bearing in mind that a second draft of the Bill was published during the survey period (which ran till end October 2016), so while some responses reflected this changed content, in most cases comments relate to the original version published on 26th August.

the legislation was considered potentially beneficial mainly in terms of providing a greater degree of leverage with respect to requiring clients to co-operate with prevention or relief assistance (albeit that those who have ‘deliberately and unreasonably refused to co-operate with the LA’ will remain entitled to accommodation for at least six months if they are unintentionally homeless and in priority need). For others, however, the Bill was seen as essentially problematic, with the main criticisms focused not so much on the principles of the legislation, but rather on resource implications and, to a lesser extent, drafting issues:

“The original [Bill] was flawed so as to [be] undeliverable. The new version is better but will add considerable additional burdens onto LAs.” (LA respondent, London, 2016)

“Very few [benefits] – without a huge increase in resources it will be hugely damaging to the effective operation of our homelessness prevention service.” (LA respondent, the South, 2016)

Many of the critical comments made highlighted the structural pressures LAs face arising from the affordable housing shortage, welfare reform and cutbacks in housing support services, as discussed in Chapter 2 (see also below):

“Resources! Lack of staffing, lack of actual accommodation, lack of funds.” (LA respondent, the Midlands, 2016)

“The Bill would not address the underlying causes of homelessness a lack of affordable accommodation with which to meet demand, a lack of support and tenancy sustainment with complex need groups, a lack of supported housing which is likely to diminish further with the further tranche of welfare reforms.” (LA respondent, the South, 2016)

“The Bill does not propose to generate a supply of new accommodation or make current accommodation affordable to live in and these are the main drivers for homelessness.” (LA respondent, London, 2016)

Many of the most trenchant criticisms focused on the 56 day emergency accommodation duty, and its being dropped from the revised version of the Bill was acknowledged by some to offer reassurance:

“Now the 56 day duty has been removed it is more feasible to implement although the new wording is unclear.” (LA respondent, the South, 2016)

“There was overwhelming relief at the dropping of the 56 day [nowhere safe to stay] accommodation duty. That did allay a lot of concerns around how the Bill was going to be implemented and I actually think has taken away a lot of the hostility...” (LA representative key informant, 2016)

Key informants representing the LA perspective felt that the amendments made to the original draft Bill meant that its second draft version provided a ‘reasonable compromise’, albeit that there were still important specific details to attend to, such as the implications of refusing an offer (as opposed to failure to cooperate) and the arrangements for rights to review (felt by some to be overly bureaucratic):

“I think it’s a framework that we can work with... There is a framework potentially that everybody can sign up to, so I think we’re a lot further ahead than we were a couple of months ago.” (LA representative key informant 2016)

“I think placing prevention on a statutory footing will help embed a better culture... So it’s a start. I think that it’s not going to happen overnight. It depends on how much money is going to be available.”

I think that, because it's going to be a statutory duty, it will put it higher up, in terms of priority for funding and deciding where that funding goes. But then, that's against a backdrop of local context and what are the local pressures” (LA representative key informant 2016)

Key informants from the voluntary sector side, while expressing some ‘disappointment’ that the emergency accommodation duty had been dropped, and also that the ‘cooperation duty’ on other public authorities in the original Bill has now been reduced to only a ‘referral duty’, generally felt that the Bill (if enacted) would represent a major achievement for homeless people:

“I think it will help people... I think it's a really big step forward. I think it's a good thing. It's not perfect; it's not ideal... but I think it's a good thing and I think the people involved have done a good job in getting it there. To get a Private Member's Bill through is so hard, so rare; getting one through like this is just great...”
(Senior manager, single homelessness service provider)

“It will give statutory protection to prevention activity. Now, at the moment it's not there and at the moment with all the cuts that are being made, anything that's not statutory is placed at risk. So I think it will help local authorities. It will be great if the money comes with it and they've said that some reasonable money will come with it, you know, who knows what that will be? But I think that duty to prevent, the ability to do it earlier rather than waiting for the 28 days is really, really good... quite a lot of

groups of young people... [are] specifically mentioned, so care leavers, young offenders, you know.” (Senior manager, youth homelessness service provider)

Homelessness prevention and rough sleeping funds

Linked with the Private Members Bill, though not dependent of its enactment, in October 2016 DCLG announced a £20 million ‘homelessness prevention trailblazers scheme’, under which grant funding will be given to local authorities trying “new, innovative” approaches to prevent people becoming homeless (with Greater Manchester, Southwark and Newcastle selected as ‘early adopters’).⁷⁷ A large proportion of LAs made a bid to this scheme, and concern was expressed by a key informant that a certain amount of “goodwill” might be squandered if only a small proportion are successful. In the event, 28 LA areas (including some sub-regional groupings) were successful⁷⁸.

Bids were also invited for two rough sleeping funds, each worth £10 million and previously announced in the 2016 Budget, to reduce and prevent rough sleeping, and to provide outcomes funding for Social Impact Bonds to support the most entrenched rough sleepers.⁷⁹ Also in the 2016 Budget, £100 million was announced to deliver low-cost ‘second stage’ accommodation for rough sleepers leaving hostel accommodation and domestic abuse victims and their families moving on from refuges.⁸⁰ As was noted in last year’s Monitor, the Government has also committed to protecting the Homelessness Prevention Grant for this current Parliament.⁸¹

77 DCLG (2016) ‘£40 million homelessness prevention programme announced’, *DCLG Press Release*, 17th October: <https://www.gov.uk/government/news/40-million-homelessness-prevention-programme-announced>

78 DCLG (2016) *Homelessness Prevention Programme – Successful Bids*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/584760/Homelessness_Prevention_Programme_-_Successful_bids.pdf

79 The successful bids have also been announced, see DCLG (2016) *Homelessness Prevention Programme – Successful Bids*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/584760/Homelessness_Prevention_Programme_-_Successful_bids.pdf

80 HM Treasury (2016) Policy Paper: Budget 2016. <https://www.gov.uk/government/publications/budget-2016-documents/budget-2016>

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

The maintenance of the ‘named’ (albeit unringfenced) grant was strongly welcomed by our key informants.

Supported and temporary accommodation

Alongside these bespoke investments in homelessness services just noted, the much bigger story since 2010 has been a sharp decline in the main component of Government investment in single homeless services. The removal of the ring-fence round ‘Supporting People’⁸² funding in 2009, coupled with the pressure on LA budgets associated with austerity, has led to severe cuts at local level (see below). Linked with this, is the reportedly growing reluctance of social and private landlords to accept homeless people with complex support needs into mainstream tenancies discussed in Chapter 2. As one LA representative succinctly put it:

“Funding for housing related supported has been significantly reduced leading to loss of specialist accommodation and issues with tenancy sustainment.” (LA respondent, the Midlands, 2016)

The pressure on supported accommodation has been a matter of great debate over the past year, in part because of the potential impact of the 1 per cent per annum rent cut in the social rented sector (see Chapter 2). Because it is more expensive to run and manage supported accommodation than general needs social housing, higher rents are charged, meaning that the impact of the rent reduction is that much greater.

Providers of supported accommodation had argued that the viability of some projects may consequently be threatened,⁸³ and in response the Government announced a year-long exemption from the rent cut to allow for a review of the costs of supported accommodation.⁸⁴ It has subsequently confirmed that, from April 2017, the annual 1 per cent rent cut will apply to all supported and sheltered housing, apart from refuges for those fleeing domestic abuse.⁸⁵

The impact on supported accommodation of the extension of LHA rate caps to the social rented sector was said to be even more likely than the rent cut to call into question the viability of accommodation services.⁸⁶ The Government has since announced that this extension will be deferred until April 2019, though it will then apply to all tenancies not only new ones, and that funding will be provided to LAs to provide additional ‘top up’ funding for supported accommodation costs above LHA rate.⁸⁷ The very low ‘Shared Accommodation Rate’ (SAR) for under 35s (see below) will not apply to tenants in supported housing, and a different funding mechanism for shorter-term accommodation such as hostels and refuges is being considered. At the time of writing, the Government had just launched its consultation on the new funding model for the supported accommodation sector,⁸⁸ alongside a recently completed and very substantial evidence review.⁸⁹ A Green Paper on the detailed arrangements for the local top-up model and short-term accommodation is expected in Spring 2017. There are considerable concerns

⁸² While this funding stream is no longer formally called ‘Supporting People’ this remains the terminology in wide usage so is employed here.

⁸³ Sinclair, H. (2015) ‘A reduction in social housing rents will mean less supported housing for homeless people’, *NHF Blog*, 16th November: <http://www.housing.org.uk/blog/the-proposed-reduction-in-social-housing-rents-will-mean-less-supported-hou/>

⁸⁴ Apps, P. (2016) ‘Government clarifies rent cut exemption’, *Inside Housing*, 1st February <http://www.insidehousing.co.uk/government-clarifies-rent-cut-exemption/7013762.article>

⁸⁵ Green, D. (2016) *Housing Benefit: Written statement - HCWS154*. http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS154/?dm_i=3R33,36VG,O8B1S,9F14,1

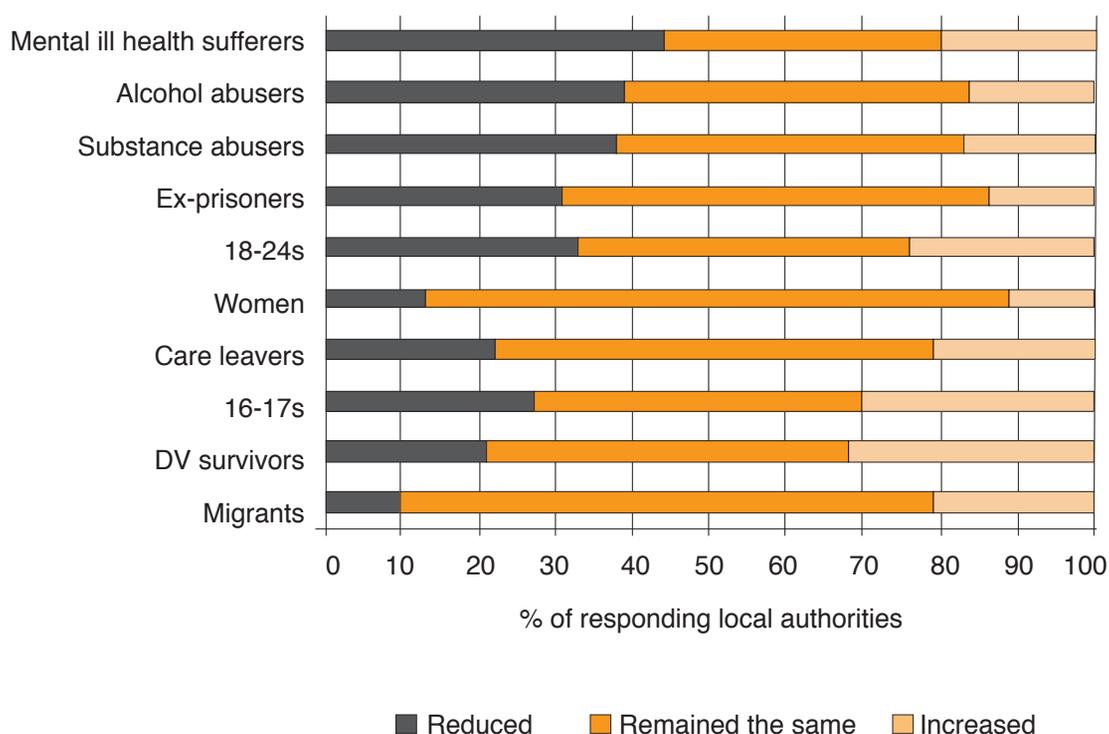
⁸⁶ Sinclair, H. (2015) ‘Supporting services’, *Inside Housing*, 30th November: <http://www.insidehousing.co.uk/supporting-services/7012978.article>

⁸⁷ Green, D. (2016) *Housing Benefit: Written statement - HCWS154*. http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS154/?dm_i=3R33,36VG,O8B1S,9F14,1

⁸⁸ DWP (2016) ‘Consultation on funding reform for supported accommodation sector’, *DWP Press Release*, 21st November: <https://www.gov.uk/government/news/consultation-on-funding-reform-for-supported-accommodation-sector>

⁸⁹ Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership (2016) *Supported Accommodation Review: The Scale, Scope and Cost of The Supported Housing Sector*. London: DWP/DCLG.

Figure 3.1 Local authority responses to question: ‘Has the provision of specialist support and/or accommodation for the following groups of homeless people/those at risk of homelessness changed in your area since 2010?’



Source: Homelessness Monitor England Local Authority Survey, 2016

about how these arrangements might impact on existing supported accommodation schemes, while the uncertainty about that impact is also a deterrent inhibiting the development of new schemes.

While homelessness agencies cautiously welcomed this reprieve from the full impact of the LHA cap on supported housing, much uncertainty remains about the detailed practical implementation of the funding changes, alongside significant effects of the rent reduction from April 2017, especially given ongoing lack of clarity about whether this will affect eligible service charges as well as the core rent.⁹⁰

In this year’s LA survey we asked a direct question about whether the local provision of specialist support and/or accommodation for particular groups of homeless people/ those at risk of homelessness changed since 2010 (see Appendix 1, Table 6). As shown in Figure 3.1, for most of the specified groups it was more common for local provision to have reduced than expanded. This was particularly marked for ex-prisoners, those with substance or alcohol misuse issues, and mental ill health sufferers – those groups most likely to be associated with ‘complex needs’. These findings do not, of course, necessarily mean that the gross scale of local provision for each group is inappropriate

⁹⁰ Weaver, L. (2016) ‘Strategic approach on homelessness needed to secure future of supported housing’, *Homeless Link blog*, 15th September: <http://www.homeless.org.uk/connect/news/2016/sep/15/strategic-approach-on-homelessness-needed-to-secure-future-of-supported>

in the context of local need. Nevertheless, coupled with the frequent concerns expressed by LAs about access to suitable options for clients with complex needs, these findings do raise concern.

Housing First

A fundamental change in the way supported housing for people with complex needs is provided across much of the developed world has been inspired by the 'Housing First' model first developed in New York City for chronically homeless people with severe mental health problems.⁹¹ Housing First involves rapid access to ordinary (private or social) rental housing for homeless people with complex needs, coupled with intensive and flexible support, provided on an open-ended basis, contrasting with the treatment-first philosophy of traditional transitional models, which seek to promote 'housing readiness' in a hostel-type setting.⁹² Robust international evidence has demonstrated impressively high housing retention rates in Housing First projects,⁹³ and in some cases considerable cost savings.⁹⁴ Homeless Link has received funding from the Lankelly Chase Foundation and Comic Relief to run a Housing First England project to create and support a national movement of Housing First services, in recognition of the fact that it is not widely used in the UK as yet. Crisis have secured funding from DCLG and Housing First Europe to undertake a feasibility study of implementing Housing First in the Liverpool City Region. Once completed the study will support the creation of a toolkit for other city regions to use to undertake similar studies to support the implementation of Housing First

to scale across the UK and Europe.

While the CLG Select Committee report on homelessness cautioned against investment in Housing First in favour of more 'mainstream' efforts to tackle homelessness,⁹⁵ the overwhelming body of international evidence in support of this model means that its expansion is of interest to a wide range of stakeholders in England. We thus asked a series of questions on the local availability of Housing First provision in this year's LA survey. One quarter of responding LAs reported that some form of Housing First provision was already established in their area (12%) or that this was planned (14%) (see Appendix 1, Table 8). Notably, the propensity for such provision was highest in the North, with 38 per cent of LAs in this broad region having existing or pipeline Housing First projects. Across the country, existing Housing First provision enumerated by survey respondents totaled 233 units, while planned projects were expected to generate 111 units. However, these numbers are partial because not all of those reporting projects in operation or in development submitted such figures. Project details were often sketchy, and in some cases raised question marks about their degree of 'fidelity' to Housing First principles.⁹⁶

Temporary accommodation

The 2015 Autumn Statement signaled a significant change in the way that temporary accommodation (TA) for homeless people will be funded in future, with an upfront allocation given to all councils by DCLG rather than an additional 'management fee' recouped via Housing Benefit.⁹⁷ One

91 Tsemberis, S., Gulcur, L., & Nakae, M. (2004) Housing First, consumer choice, and harm reduction for homeless individuals with a dual diagnosis, *American Journal of Public Health*, 94(4), 651-655.

92 Johnsen, S., & Teixeira, L. (2010) Staircases, Elevators and Cycles of Change: 'Housing First' and other housing models for homeless people with complex support needs. London: Crisis. Johnsen, S. (2012) Shifting the balance of the Housing First debate, *European Journal of Homelessness*, 6(2), 193-199.

93 Busch-Geertsema, V. (2013) *Housing First Europe: Final Report*. Brussels: European Commission.

94 Tsemberis, S. (2010) Housing First: The pathways model to end homelessness for people with mental illness and addiction, *European Journal of Homelessness*, 5(2), 235-240.

95 House of Commons Communities and Local Government Committee (2016) *Homelessness. Third Report of Session 2016-17*. <https://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/40/40.pdf>

96 Prestidge, J. (2016) 'Homeless Link introduces the key ingredients of Housing First', *Homeless Link blog*, 31st October: <http://www.homeless.org.uk/connect/blogs/2016/oct/31/homeless-link-introduces-key-ingredients-of-housing-first>

97 Perry, J. (2015) 'Funding switch', *Inside Housing*, 25th November: <http://www.insidehousing.co.uk/funding-switch/7012929.article>

of our key informants this year, while commending the “*open and inclusive dialogue*” that there has been with DCLG over these new TA funding arrangements, commented that:

“... the concern is if you go from a demand led system to a grant based system there could be spikes in caseloads and that funding will be insufficient to cope with that. Also, if it’s going to be a finite amount boroughs might use it to do deals with their landlords and then find that they’ve run out of money until the next allocation. So I think... there is a concern that it’s not going to be sufficient in the longer-term.” (LA representative key informant, 2016)

Another was more positive:

“It will allow local authorities to focus more on prevention, at the same time as having something in their pot for statutory temporary accommodation provision. It allows local authorities to be really flexible, innovative, use their imagination about a pot of money, so far and for the near future, is pretty much guaranteed to not be any less than they have claimed through the management fees subsidy in the previous year. So I think that it’s, overall, a very positive thing.” (LA representative key informant, 2016)

Chapter 4 discusses the continuing upward pressure on TA in England, particularly in London, and recent research commissioned by London Councils’ has highlighted “*spiralling*” costs of TA in the capital.⁹⁸ Whereas in the past, it was possible for boroughs procuring TA to make long-term leasing arrangements with private landlords,

more expensive ‘nightly rates’ are now said to dominate the market. With the LHA rate and additional management fee subsidy for TA frozen since 2011, but rents rising sharply, London boroughs are having to meet the shortfall – estimated at £170m in 2014. There were therefore calls from London-based key informants to recognise the unique pressures in the capital in establishing the distribution formula for this new TA funding pot:

“Obviously if you’re talking about a national funding pot we would expect London to get at least 74 per cent of the funding [i.e. to match the proportion of all TA placements made by London Boroughs] because of the pressures that London is experiencing. So we don’t think [funding] should be given, even if it’s a small amount, to authorities that don’t have homelessness...” (LA representative key informant, 2016)

Youth homelessness

While statutory homeless has increased substantially since 2009/10 (see Chapter 4), acceptances of 16-24 year olds have been more stable, increasing to 17,000 in 2011/12 before falling back to around 13,500 for the past two years.⁹⁹ However, homelessness organisations have argued that many young people are turned away by local authorities without getting the help they are entitled to, and in any case statutory acceptances represent only a small proportion of overall youth homelessness as many young people will not qualify as being in priority need.¹⁰⁰ It was estimated in 2013/14 that 64,000 young people were in touch with homelessness services in England, more than four times the number accepted as statutorily homeless.¹⁰¹ Beyond this, hidden homelessness amongst

⁹⁸ London Councils (2016) *Temporary Accommodation in London Report*. <http://www.londoncouncils.gov.uk/our-key-themes/housing-and-planning/homelessness/temporary-accommodation-london-report>

⁹⁹ DCLG Live Table 781. See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

¹⁰⁰ Centrepoint (2015) *Beyond Statutory Homelessness*. London: Centrepoint;

¹⁰¹ Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015). *Estimating The Scale Of Youth Homelessness In The UK*. Cambridge: Cambridge Centre for Housing and Planning Research; DCLG Live Table 781. See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

young people, as with other groups, is hard to quantify (but see Chapter 4).¹⁰²

A crucial element of the context for youth homelessness in England, and the wider UK, is that younger single people, especially if they are living outside of the family home, now face highly disproportionate risks of poverty.¹⁰³ Indeed, the ‘*dramatic deterioration in young people’s fortunes*’¹⁰⁴ associated with unemployment, declining benefit protection and rising private sector rents is arguably the most prominent poverty ‘story’ to emerge in the UK in recent years. Young men under 25 are the group most likely to be destitute in the contemporary UK.¹⁰⁵

Relevant here is the very low level of income maintenance benefits to which young people are now entitled. Current Jobseekers’ Allowance rates for under 25s are £57.90 per week, as compared with £73.10 for those aged 25 and over. Young people’s weekly allowance is therefore less than 80 per cent of that for adults aged 25 and over,¹⁰⁶ and falls below the extremely low income ‘destitution’ line for single people living alone recently endorsed by a cross-section of the general public.¹⁰⁷ There are also severe, and increasing, limitations on the Housing Benefit that young people can claim, with single under 35s living in the PRS only eligible for the very low ‘shared accommodation’ rate of benefit (see further below). A recent

international review identified a gap in welfare protection for young people in the UK, in that state support for parents ends before full state support for young adults begins.¹⁰⁸

England has seen investment in specific funds that aim to develop accommodation options for young homeless people, including one targeted on homelessness among young people with the most complex needs (Fair Chance Fund¹⁰⁹). In addition, the Positive Pathway framework¹¹⁰ now informs the development of homelessness prevention and housing services for young people in around two thirds of local authorities.¹¹¹ This targeted policy attention may explain why the limited available measures of youth homelessness appear not to show a substantial increase in youth homelessness as a result of the last recession and these existing benefit restrictions.¹¹² But young people are still at a far higher risk of homelessness than older adults,¹¹³ and there are now acute concerns regarding the likely impacts of impending (further) reductions in young people’s welfare entitlements, in particular the imminent removal (from April 2017)¹¹⁴ of automatic entitlement to the housing costs element in Universal Credit for 18 to 21 year-olds not subject to exemption. It is estimated that some 13,700 young people will be impacted by these rules¹¹⁵, resulting in a cost saving of £74 million over three

102 McCoy, S. and Hug, B. (2016) *Danger Zones and Stepping Stones: Young people’s experiences of hidden homelessness*. London: Depaul.

103 Padley, M. & Hirsch, D. (2014) *Households Below a Minimum Income Standard: 2008/9 to 2011/12*. York: JRF, p.3

104 Ibid.

105 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. & Watts, B. (2016) *Destitution in the UK: Final Report*. York: JRF.

106 Stephens, M. & Blenkinsopp, J. (2015) *Young People and Social Security: an international review*. York: JRF.

107 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. & Watts, B. (2016) *Destitution in the UK: Final Report*. York: JRF.

108 Stephens, M. & Blenkinsopp, J. (2015) *Young People and Social Security: an international review*. York: JRF.

109 DCLG (2014) ‘£23 million to help homeless turn around their lives’, *DCLG Press Release*, 9th December: <https://www.gov.uk/government/news/23-million-to-help-homeless-turn-around-their-lives>

110 St Basils (2015) *Developing Positive Pathways to Adulthood: Supporting young people on their journey to economic independence and success through housing advice, options and homelessness prevention*. <http://www.stbasils.org.uk/how-we-help/positive-pathway/>

111 Homeless Link (2015) *Young and Homeless 2015*. London: Homeless Link.

112 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth homelessness in the UK: A review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

113 Ibid.

114 Anderson, P. (2016) ‘Benefit changes for 18-21 year olds: further details announced’, *Homeless Link blog*, 7th August: <http://www.homeless.org.uk/connect/blogs/2016/aug/07/benefit-changes-for-18-21-year-olds-further-details-announced>

115 Cole, I, Pattison, B & Reeve, K (2015) *The Withdrawal of Support for Housing Costs under Universal Credit for Young People: more pain than gain?* London: Crisis.

years.¹¹⁶ The ‘real’ cost saving, however, is likely to be lower given the knock-on impacts of the cut, including on levels of youth homelessness.¹¹⁷ Key informants expected this measure to lead to a rise in youth homelessness, though much depends on the (yet to be announced) specific exemptions criteria and local interpretation of these rules:

“The Devil will be in the detail, in the interpretation of those exemptions, and, fundamentally, exemptions... will be at the heart of whether or not this becomes a destructive policy for society or not... My fear is that... we increase the likelihood of this being a local-authority-by-local-authority translation of the policy. Those local authorities who are hellbent on using youth homelessness as a savings pot will – we will see some local authorities where there are young people on the streets. I’m fairly sure that that’s an inevitable outcome in some areas.” (Senior manager, youth homelessness service provider)

“The problem is that landlords, the reduced confidence of landlords around taking anyone within that age group unless the exemptions are really clear, they’re just not going to take them.” (Senior manager, youth homelessness service provider)

Also coming into force in April 2017 is the Youth Obligation, which will provide out of work 18-21 year olds with enhanced employment support combined with more intense work-related activity requirements. The likely impacts of this move are not clear: while the promise of increased support has been welcomed,¹¹⁸ stricter conditionality may exacerbate young people’s already disproportionate experience of benefit sanctions (see below).¹¹⁹ Young people’s risk

of homelessness and access to affordable accommodation will also be impacted by a number of other policy changes discussed elsewhere in this chapter, notably the proposed changes in the funding of supported accommodation, and the extension of the LHA caps to social housing which will disproportionately affect this group because of the very low SAR rate of LHA to which they are entitled (see above).

Resulting anxiety about young people’s fortunes is clear in this year’s LA survey. As is discussed below, two thirds of responding councils anticipate that it will be ‘much more difficult’ to help 18-21 year olds and 22-24 year olds access accommodation in the next 2-3 years, with a further quarter anticipating that it will be somewhat more difficult (see Appendix 1, Table 8). This is in a context where nearly half of local authorities report that it is already very difficult to house these age groups (see Appendix 1, Table 5).

3.3 Welfare policies

The Coalition and Conservative Governments have introduced a raft of welfare reforms over the last five years, many of which have direct implications for lower income households and their capacity to secure or retain accommodation in all sectors of the housing market. In this section we examine each of the key welfare reform measures in turn, covering both the earlier reforms introduced by the Coalition Government, and the subsequent reforms introduced by the (pre and post Brexit) Conservative Governments.

In total it has been estimated in research by Sheffield Hallam University that by 2020/21 the annual losses to low income households arising

¹¹⁶ Ibid.

¹¹⁷ Leishman, C. and Young, G. (2015) *Lifeline not Lifestyle: An economic analysis of the impacts of cutting Housing Benefit for young people*. Edinburgh: Heriot Watt University.

¹¹⁸ Youth Homelessness Parliament (2016) *Youth Homelessness Parliament 2016 Report*. Birmingham: St Basils.

¹¹⁹ Watts, B., Fitzpatrick, S., Bramley, G., & Watkins, D. (2014) *Welfare Conditionality and Sanctions in the UK*. York: JRF.

from all these reforms will amount to £27.4 billion in Great Britain (GB), of which £23.75 billion relates to England.¹²⁰ Within that, the individual welfare reforms vary significantly in their spatial impact. The areas most affected are mainly to be found in the older industrial areas of England, in the more deprived parts of London, or among the least prosperous seaside towns. This spatial analysis makes the point that the incidence of benefit dependency is related to regional economic and labour market structures and policies, and cannot be seen (or dealt with) through a narrow focus on work incentives and individuals attitudes to labour market participation.¹²¹

However the Sheffield Hallam report was compiled ahead of the 2016 Budget and Autumn Statement, which abandoned plans for reforms to the Personal Independence Payments scheme, and rendered voluntary rather than compulsory the ‘Pay to Stay’ higher rent regime for council tenants with higher incomes. It also proposed amendments to ease the cuts to the Universal Credit regime. In total those three policy revisions are estimated to reduce the overall savings from welfare reforms by some £2 billion by 2020/21. However, this will still leave in place reforms resulting in losses to claimants totaling £25.3 billion in that year.

The individual welfare reforms discussed in turn below are:

- Local Housing Allowances
- The benefit cap
- The ‘Bedroom Tax’
- Discretionary Housing Payments

- Universal Credit
- Council Tax Support schemes
- Benefit sanctions
- Social Fund

Alongside each of these specific welfare policy reform areas there is a more general freeze on most working age benefit rates for four years from 2016/17. This single measure is forecast to impact nearly eight million households or individuals by 2020/21, each of which will incur an average loss of some £500 a year.¹²² This is by far the largest item financially of the welfare measures announced in the 2015 Autumn Statement and is expected to save the Government just over £4 billion a year by 2020/21.

Local Housing Allowance

Changes to the Local Housing Allowance (LHA) regime for private tenants led the way in the welfare reform agenda, and have been applicable to all new claimants since April 2011, and to all existing claimants for a period of between almost two to three years, dependent on their circumstances. The key initial changes were to set LHA rates based on 30th percentile market levels, rather than market medians, and to set maximum caps that further reduced LHA rates in inner London. While in 2013/14 those LHA rates were uprated by the lower of either inflation (CPI) or changes in market rents, subsequently in 2014/15 and 2015/16 they were be uprated by just 1 per cent. Going forward following a decision in the Summer 2015 Budget the LHA rates are now to be frozen for four years from 2016/17. These reforms are of particular significance in the context of homelessness policies

¹²⁰ Beatty, C. & Fothergill, S. (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

¹²¹ Beatty, C & Fothergill, S. (2016) *Jobs, Welfare and Austerity: How the destruction of industrial Britain casts a shadow over present-day public finances*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

¹²² Beatty, C. & Fothergill, S. (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University. The measures are for individuals for PIP, ESA ad 18-21s; for all other benefits the measures are for households.

that have in recent years been placing more emphasis on households securing accommodation in the PRS (PRS) (see above and Chapter 2).

Administrative data on LHA claims is now available for the period to August 2016. Nationally, this shows that the number of LHA claimants continued to rise after March 2011, but at a much slower rate than in the five years prior to the LHA reforms. However, more recently numbers have begun to fall. In England as a whole the numbers of private tenants in receipt of Housing Benefit rose from 1,376,440 in March 2011 to 1,493,427 in May 2013, before falling back to 1,432,335 by August 2014, 1,352,155 by August 2015, and 1,270,296 by August 2016. As a consequence, the numbers of Housing Benefit claimants in the PRS is now lower than it was when the LHA reforms were introduced in 2011 (see above and also Chapter 2).

While the working through of the lower LHA rate regime, and the further downward drift of LHA rates through CPI uprating will have contributed to the decline in LHA claimant numbers between May 2013 and August 2016, other factors are also involved. Of particular note is the gradual rolling out of the Universal Credit (UC) regime. While in August 2014 there were only just over 10,000 people in receipt of UC, by August 2015 the numbers had risen to just over 100,000, and by August 2016 numbers had reached 350,000. Unfortunately there is very little detail available about the characteristics of those claiming UC, although it is known they are predominantly single people, as only in a small number of pathfinder areas has the scheme been so far extended to couples or households with children. There is, however, no data on the breakdown of household types, or the tenure or any other housing characteristics of UC claimants. While further data may become available in time

there is no clear timetable, or clarity about what additional information might be included alongside the very basic data currently provided.

This limitation means that, from August 2014 onwards, it is now impossible to rely on administrative data alone to gauge the impact of the LHA reforms on the ability of lower income households to access accommodation in the PRS, as we do not know how many households in receipt of UC are in the PRS. In that context the responses from our survey respondents are now ever more important (see Chapter 2 where these are discussed in detail, and clearly point to the sharply growing access challenges).

Bearing in mind that limitation the data does still clearly show that the policy has, as intended, limited the ability of households to access the PRS in inner London, where the LHA rates for many areas have been restricted by the maximum national caps. The decline has been sharpest in those areas of central London affected by the caps on maximum LHA rates, with declines of some 35-40 per cent in Kensington and Chelsea and in Westminster between March 2011 and August 2015.¹²³ The household number in receipt of Housing Benefit in the PRS dropped even more sharply in those areas in the following year (i.e. till August 2016), however in that period the numbers of people in receipt of UC in those areas also grew quite substantially (from insignificant levels at August 2015). It is consequently impossible to say how much of the further reduction in numbers reflects difficulties in accessing the PRS, and how much is simply a consequence of the roll out of UC. A further factor that also needs to be recognised is that, since 2013, the wider benefit cap will also have been a factor in limiting the capacity of out of work households to obtain or sustain a tenancy in the PRS in high value areas (see below).

¹²³ Stat-Xplore. Note that figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

There has also been a substantial decline in the numbers of younger single households in receipt of Housing Benefit, following the extension of the SAR to single people aged 25 to 34. Between December 2011 and August 2014, single people aged under 35 in receipt of Housing Benefit in the PRS in England fell by some 50,750 (28%). Again the roll out of UC, and the lack of available data on UC claimants, makes it impossible to use the administrative data to judge how far the subsequent falls in the numbers of young single people in receipt of Housing Benefit in the PRS are a consequence of the low SAR levels, or of the roll out of UC. However, the administrative data does clearly show the marked impact of the SAR policy in the period before August 2014, and this is reinforced by our survey respondents and other research conducted by Crisis.¹²⁴

The published Housing Benefit data also shows that the average payments made to private tenants have declined since the new LHA regime was introduced. A number of factors have contributed to this, including the impact of the national LHA caps in inner London, and the rise in the numbers of working claimants who receive partial, rather than 'full' Housing Benefit. However, one of the main findings of the DWP evaluation of the new LHA regime was that for existing claimants, only some 11 per cent of the reduction was attributable to landlord rent reductions, with the bulk of the reduced entitlement having to be met by the claimants. For almost a half this involved cutting back on other expenditures on household 'essentials', and nearly a third borrowed money from family or friends.¹²⁵

It should also be recognized that while the LHA reforms are now fully operational, there will be a further time lag before the long-

term market responses to those reforms by claimants and landlords will be seen. Those responses will also be changing over time as the freeze in uprating LHA levels is set to further depress LHA rates relative to market rents (see also Chapter 2).

LHA limits and the social rented sector

Following the 2016 Autumn Statement LHA caps on Housing Benefit levels in the social rented sector will not now be introduced until April 2019. There are very considerable concerns about these provisions particularly, in respect of supported housing schemes (see above). It will, however have a wider impact in those parts of the country where there is no great difference between social and private sector rents. And because the LHA rates are based on the number of bedrooms a household is deemed to require, rather than the size of the dwelling, there is also a potential impact on 'under occupying' retired households that are not currently covered by the 'Bedroom Tax'.

Access to shared housing

These changes in welfare arrangements are making access to shared housing an increasingly important aspect of the work undertaken by LA homelessness and Housing Options teams. However, helping single people under 35 (and therefore subject to the SAR) to access shared housing was almost universally found problematic. Nationally, all but 7 per cent of authorities found it difficult to assist service users find shared private rental housing, and only 8 per cent reported that finding shared social rented accommodation was 'fairly easy' (see Appendix 1, Tables 4 (b)). Unlike in relation to mainstream tenancies, ease of access to shared housing was generally little easier in the relatively less pressured North than in the rest of the country. Even here, three

¹²⁴ Reeve, K., Cole, I., Batty, B., Foden, M., Green, S. & Pattison, B. (2016) *Home: No less will do: Homeless people's access to the private rented sector*. London: Crisis.

¹²⁵ Beatty, C., Cole, I., Powell, R., Kemp, P., Brewer, M., Emmerson, C., Hood, A & Joyce, R (2014) *Monitoring the Impact of Changes to the Local Housing Allowance System of Housing Benefit: Final reports*. London: DWP.

quarters of authorities (74%) found it ‘very difficult’ to assist service users to access shared social rental housing, and 59 per cent reported likewise for shared private rental tenancies (see Chapter 4 for trends in sharing households over time).

Within the social rental sector the provision of shared housing apparently remains a rarity, except in relation to supported housing, whereas in the private sector it seems to be more a problem of restricted access for those on benefits:

“There is a lack of shared housing in the social rented sector and our partner RPs are not willing to explore model for delivery of this. We rely on the PRS to plug this gap.” (LA respondent, the Midlands, 2016)

“There is no shared housing in the social rented sector other than for those with identified support needs. Private sector landlords not happy to offer tenancies to anyone subject to the Shared Accommodation Rate without a full guarantor.” (LA respondent, the South, 2016)

“There isn’t shared housing in social rented that I know of.” (LA respondent, the North, 2016)

“There doesn’t appear to be the appetite with RPs to provide shared accommodation, and for the Shared Accommodation Rate in the private sector the issue is that the rate falls short of market rates.” (LA respondent, London, 2016)

The benefit cap

The overall cap on welfare benefits was introduced in four local authorities in April

2013, and was rolled out on a phased basis, so that since the end of September 2013 it has been operated across the whole of Great Britain. The cap – set at £350 per week for single people, and £500 for all other households – has been applied to out-of-work households below pensionable age, with a number of exemptions for households with disabilities.

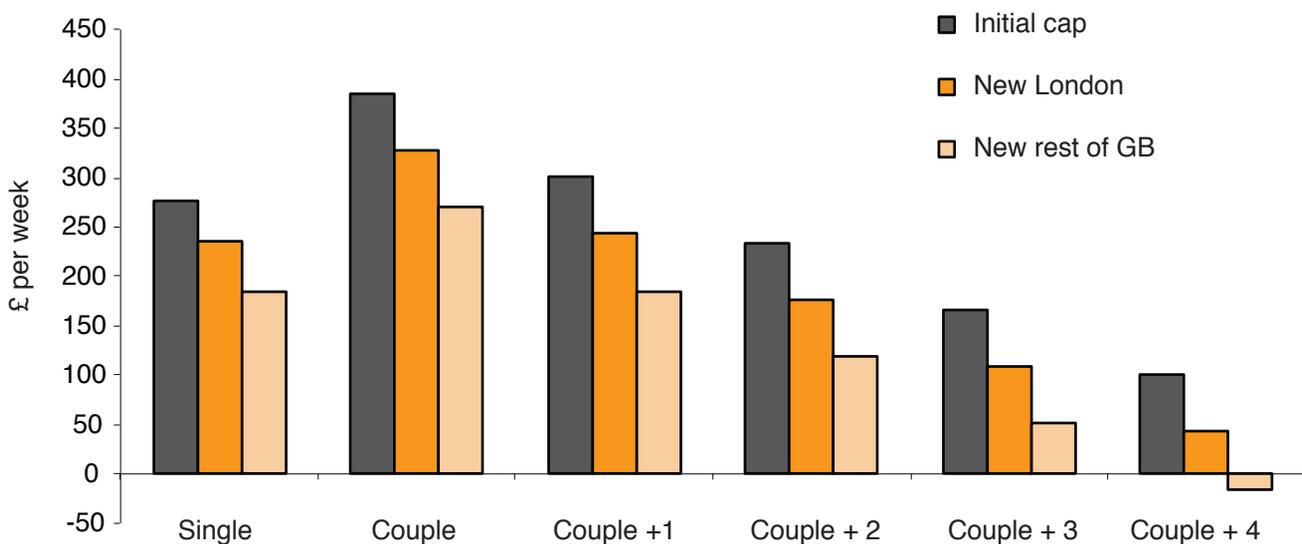
However, the benefit cap for out of work claimants has now been lowered to £13,400 a year for single people and £20,000 for all other households, except in London where it has been lowered to £15,410 and £23,000 respectively. These lower limits will significantly increase the numbers of households impacted by the cap. The initial limits impacted particularly on larger families, and households in London and other higher rent areas. The revised lower limits will, in particular, have a much greater impact on both smaller households, and households outside London in both the rented sectors. Indeed, three quarters of the households newly impacted by the lower benefit cap thresholds are expected to be outside London.¹²⁶

In practice, the initial cap impacted on considerably fewer households than expected. Numbers fluctuate slightly from month to month, but for Great Britain as a whole peaked at 28,434 in December 2013. By August 2016 the GB numbers had eased down to 20,041, of which 18,613 were resident in England.¹²⁷ Changes of circumstances have seen continuous monthly flows of households into and out of the benefit cap. In total, some 79,450 households had been subject to the cap at some point, but were no longer capped in August 2016. Of those, some two fifths ceased to be impacted as they were in work, and had an

¹²⁶ Beatty, C. & Fothergill, S. (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University. The measures are for individuals for PIP, ESA and 18-21s; for all other benefits the measures are for households.

¹²⁷ DWP (2016) *Benefit Cap: GB households capped to August 2016*. London: DWP.

Figure 3.2 Tightening of the maximum benefit cap: maximum benefit available to meet housing costs



Difference between cap and basic 2016/17 household Income Support rates.

open Working Tax Credit claim. However, it is not clear how far the benefit cap, in itself, has contributed towards the move of impacted households into work, as changes in circumstances and moves in and out of often insecure and low paid employment is an established pattern for many low income households.¹²⁸

As anticipated, the impact of the benefit cap has been greatest in London due to its higher level of housing costs, and for larger families. Of all the households impacted in August 2016, altogether just over two fifths were in London. But within that 85 per cent of all impacted households without children were in London, and an even higher proportion of the families with just one child were also located in London. Of the

20 authorities with the most impacted households, 18 were London boroughs. Of those households impacted in August 2016, three-fifths had four or more children, and a further one fifth had three children.

The households impacted nationally were slightly more likely to be located in the social (55%) rather than the private (45%) rented sector.¹²⁹ While there are far more out of work large families in the social rented sector, a greater proportion of the smaller numbers of those families in the PRS are caught by the benefit cap by virtue of the higher rents in the sector.¹³⁰

As noted above, looking ahead the new lower benefit caps will significantly extend its' impact both in and beyond London. The DWP

¹²⁸ Green, A., Elias, P., Hogarth, T., Holmans, A., McKnight, A. & Owen, D. (1997) *Housing, Family and Working Lives*. Warwick: Institute for Employment Research, University of Warwick; Hills, J., Smithies, R. & McKinght, A. (2006) *Tracking Income: How working families' incomes vary through the year*. London: Centre for the Analysis of Social Exclusion, London School of Economics.

¹²⁹ Data extracted using DWP Stats-Explore.

¹³⁰ There were at August 2016 some 15,840 out of work families with three or more children in the social rented sector, compared to some 8,520 in the PRS. Data extracted using DWP Stats-Explore.

Impact Assessment suggested that for GB as a whole the numbers impacted by the lower cap would increase almost six fold (by some 92,000) by 2020/21.¹³¹ The greatest individual losses, however, will be incurred by the households already subject to the cap; if in London they will lose an additional £3,000 a year, while if outside London they will lose an additional £6,000 a year (£2,790 and £4,800 respectively in the case of single people).

The extent of these losses, and the limited funds available to meet housing costs beyond basic welfare living allowances will clearly make it difficult if not impossible for many larger households to meet a rent anywhere, let alone in higher value areas, as illustrated in Figure 3.2. The potential for this policy to lead to homelessness for those households where movement into employment is not practical is all too clear.

The 'Bedroom Tax'

Limits on the eligible rents for households in the social rented sector were also introduced in April 2013, based on the number of bedrooms the household are deemed to require by size criteria essentially derived from the social survey 'bedroom standard' measure established in the 1960s. Officially these limits have been designated as the 'Spare Room Subsidy' limits, but they have been more widely referred to as the 'Bedroom Tax', and while that is not a technically accurate description of the measure, it is the terminology we use here as it is in common usage (and given that the official terminology is also both rather loaded, and rarely used outside of official circles). A discussion on the context in which the 'Bedroom Tax' was introduced can be found in earlier editions of the Monitor.¹³²

As with the overall benefit cap, the actual numbers of households impacted by the 'Bedroom Tax' have proved to be some way below the levels estimated in the impact assessments. The May 2013 figures showed just under 560,000 households subject to the size criteria limits across GB (adjusting for initial under reporting), of which some 443,000 were in England. By August 2014 the numbers of tenants subject to the reductions in England had fallen by 16 per cent to some 370,000. In the two years to August 2016 they fell by a further 11 per cent to 323,260.

As with the monthly benefit cap figures, it must be recognized that this is a net reduction in the numbers of tenants impacted, with changes in household circumstances leading to some tenants becoming newly subject to the 'Bedroom Tax' each month (i.e. when a child ceases to be a dependent), at the same time as other households cease to be subject to the limits.

An analysis of the impact of the first nine months' operation of the scheme found that of the households ceasing to be subject to the 'Bedroom Tax', some 10 per cent moved into smaller accommodation within the social rented sector, while some 2 per cent moved into the PRS.¹³³

A number of reports provided evidence on the early impacts of the 'Bedroom Tax', and some of the issues this has raised.¹³⁴ These, and the report for the DWP on the operation of the scheme over its first eighteen months,¹³⁵ all confirmed that the majority of impacted tenants did not consider themselves to be 'over accommodated'. This is not surprising given that the 'bedroom standard' on which

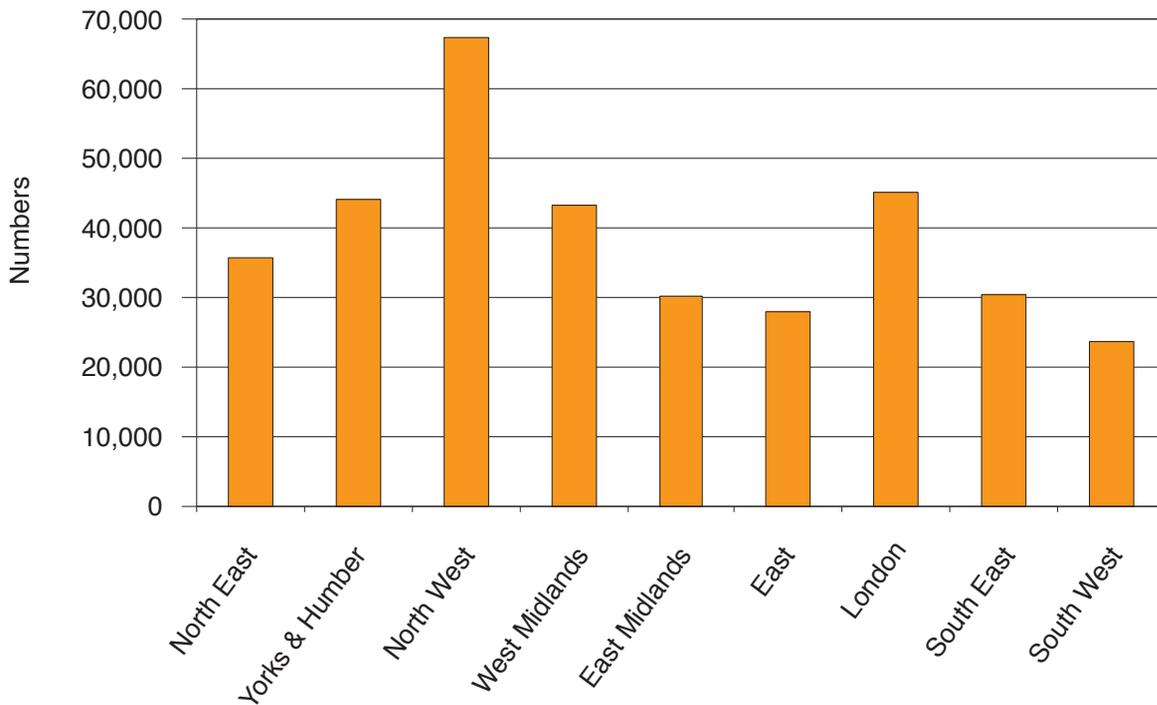
¹³¹ DWP (2015) *Welfare Reform and Work Bill: Impact assessment for the benefit cap*. London: DWP.

¹³² Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

¹³³ DWP (2014) *Removal of the Spare Room Subsidy: Analysis of changes in numbers subject to a reduction in Housing Benefit award*. London: DWP.

¹³⁴ Clarke, A, Hill, L, Marshall, B, Monk, S, Pereira, I, Thomson, E, Whitehead, C, & Williams, P (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim report*. London: DWP; Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF; Ipsos MORI (2014) *Impact of welfare reforms on housing associations: Early effects and responses by landlords and tenants*. <https://www.ipsos-mori.com/Assets/Docs/Publications/sri-ipsos-mori-nhf-report-impact-of-welfare-reforms-on-housing-associations-2014.pdf>.

Figure 3.3 Claimants impacted by the ‘Bedroom Tax’, and percentage fall in numbers between May 2013 and August 2016



Source: DWP Housing Benefit Statistics, November 2016.

the ‘Bedroom Tax’ is based is out of touch with contemporary social values and practice.

The tightness of the size criteria inevitably resulted in a host of concerns about the circumstances in which additional bedrooms were needed, whether for disability or other medical reasons, or for carers of children of separated or divorced parents in circumstances wider than those recognized by the criteria. Despite two recent Supreme Court judgements that have made clear that

in some circumstances disabled households do require an additional room, and that this cannot be left to be dealt with by Discretionary Housing Payments, the criteria are still very narrow.¹³⁶ This is aggravated by the criteria assumption that any bedroom can be shared by two children, regardless of how small it might be, or the age of the children (although this is not a requirement for children over ten of different sexes).

A broader concern about the application of

¹³⁵ Clarke, A, Hill, L, Marshall, B, Monk, S, Pereira, I, Thomson, E, Whitehead, C, & Williams, P (2015) *Evaluation of Removal of the Spare Room Subsidy: Final report*. London: DWP.

¹³⁶ Peaker, G (2016) ‘With and Without Foundation – Bedroom tax in Supreme Court’, *Nearly Legal*, 9th November: <https://nearlylegal.co.uk/2016/11/without-foundation-bedroom-tax-supreme-court/>

the size criteria is that in many areas there is a shortage of smaller social sector dwellings available for ‘downsizing’ transfers. DCLG data shows some 15,000 social sector tenants transferred in 2013/14 either in response to the benefit cap or the ‘Bedroom Tax’ – just 3 per cent of those impacted by the two measures. In 2014/15 the number of such transfers dropped to some 9,000.¹³⁷

The constraint on the availability of smaller dwellings is more frequently found in parts of northern England, where there is a structural mismatch between the size of dwellings within the stocks of social landlords, and the size of dwellings households are deemed to require under the ‘Bedroom Tax’ size criteria. In those areas, ‘under-occupation’ as defined by the size criteria has been an established practice supported by social landlords as a means of balancing the supply and demand for their larger dwellings.

The regional dimension to the impacts of the policy is reflected in the distribution of the impacted households across England, with particularly high numbers in the north west of England, as shown in Figure 3.3. The figure also shows the extent to which numbers have reduced over the period from May 2013 to August 2016, with above average rates of reduction in London and the South East where there are both more opportunities for landlords to make ‘downsizing’ transfers, and greater labour market opportunities for tenants. The lowest rate of reduction (in England) has been in the North East, which of all the English regions has the lowest proportion of one bedroom dwellings in its social rented stock.¹³⁸

A landlord survey undertaken for DWP found that, after five months, only two fifths of the impacted tenants were making rent payments in full, two fifths were making good some part of the size criteria deductions, and one fifth were not making any payment to cover the shortfall.¹³⁹ A year later a half of all the impacted tenants were making rent payments in full, two fifths were making good some part of the shortfall, while just one in ten were not making any payments to cover the shortfall.¹⁴⁰ The later report found that some three fifths of the impacted tenants were reducing spending on household essentials, while one in four had borrowed money, mainly from family or friends, to help manage the shortfall. It also found that by that time nearly three in ten of the impacted tenants had made claims for Discretionary Housing Payments. These payments are discussed in the following section.

While these surveys found problematic levels of rent arrears, at the time they were undertaken these had not by that stage led to significant levels of legal actions or evictions. However, while other factors (and welfare reforms) are involved, there was a clear and marked increase in the numbers of social landlord possession actions from the third quarter of 2013 onwards. Total social landlord possession orders in England were 17 per cent higher in the twelve months following the introduction of the ‘Bedroom Tax’, compared to the year before their introduction, although they did then fall back again in 2014/15 and 2015/16¹⁴¹ (also see Figure 2.8).

Discretionary Housing Payments

Limited budgets for Discretionary Housing Payments (DHPs) have been made available

¹³⁷ DCLG (2015) *Social Housing Lettings: April 2014 to March 2015, England*. London: DCLG.

¹³⁸ Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

¹³⁹ Clarke, A, Hill, L, Marshall, B, Monk, S, Pereira, I, Thomson, E, Whitehead, C, & Williams, P (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim report*. London: DWP.

¹⁴⁰ Ibid.

¹⁴¹ Ministry of Justice (2016) *Mortgage and Landlord Possession Statistics in England and Wales: July to September 2016*. London: Ministry of Justice.

to LAs to assist households affected by welfare reform, but as is inevitably the case with such discretionary provisions, they are difficult to administer, their application is patchy, and in the past budgets have often been underspent.¹⁴²

However, while data for 2013/14 showed that overall DHP budgets in the year were slightly underspent, this was rarely the case with the sums specifically provided to ease the impact of the 'Bedroom Tax'. In total English authorities spent 94 per cent of their DHP allocations.¹⁴³ In 2014/15 English authorities spent 99.5 per cent of their DHP allocations. As with the previous year the overall spend figure also takes account of additional self-funded spending by some authorities that in part offset the extent of underspending by other authorities.

In 2015/16 English authorities again increased their spend as a proportion of their DHP allocations, and indeed including the additional self-funded spending by some authorities, in overall terms they spent 2.1 per cent beyond the DHP allocations. Nonetheless within that overall picture, while 125 English councils spent beyond their DHP allocation, more did not make full use of their allocation. Indeed 79 councils spent less than 90 per cent of their allocation, including 21 that spent less than two thirds of their allocation.¹⁴⁴

In England three fifths of total DHP spend in 2013/14 was on 'Bedroom Tax' cases, including households with disabilities living in specifically adapted accommodation. This is far more than the funds provided by DWP for the 'Bedroom Tax', and clearly many councils chose to use their discretion to apply more funds for these cases, and as a result less for other cases, such as LHA and benefit cap related cases.

In 2014/15 the DHP spend on 'Bedroom Tax' cases in England and Wales fell back to 45 per cent of the total DHP spend, but this was still 29 per cent more than DWP notionally allocated for those cases. Thus, if not to the same extent as in 2013/14, councils were still using their discretion to apply more funds to 'Bedroom Tax' cases, and as a result less for other cases, such as LHA and benefit cap related cases. While in 2015/16 the spend on 'Bedroom Tax' cases in England and Wales was still 46 per cent of the total DHP spend, actual spend fell reflecting the reduction in the overall GB DHP allocation from £165 million in 2014/15, to just £125 million in 2015/16 (although this sum is set to rise again, see below). This outturn distribution of DHP spending is a further indication of the pressures resulting from the 'Bedroom Tax' policy.

In addition to the concerns about the minority of councils failing to make (more or less) full use of their allocations, concerns have also been expressed about some councils taking DLA awards into account when making the income assessments for DHP eligibility, and as a result denying DHPs to some of the disabled households living in specifically adapted accommodation.¹⁴⁵

The overall DWP budget for DHPs in 2016/17 has been increased to £150 million in 2016/17, but this is in the context of the further cuts to welfare benefits announced in the 2015 Summer Budget and Autumn Statement, and in particular the freezing of LHA rates and the lowering of the maximum benefit cap.

Universal Credit

The Universal Credit (UC) regime combines several existing benefits, including Housing Benefit, and aims to radically simplify the

¹⁴² Merrick, N. (2012) 'Councils underspend payments for struggling households by £8 million', *Guardian Professional*, 25th June: <http://www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend>

¹⁴³ DWP (2014) *Use of Discretionary Housing Payments: Analysis of annual financial and monitoring returns from local authorities*. London: DWP.

¹⁴⁴ DWP (2016) *Use of Discretionary Housing Payments: Analysis of end of year returns from local authorities: April 2015 – March 2016*. London: DWP.

¹⁴⁵ Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

structure of welfare benefits in the UK. A full account of the structural reforms was set out in earlier editions of the Homeless Monitor.¹⁴⁶

The new regime is now operational nationally for single person claimants, but is only now beginning to be rolled out in a small number of areas for couple and family households. The overall timetable for rolling out the new regime was substantially – and repeatedly – deferred from original plans, not least due to difficulties in developing the IT system for a still complex scheme, where the detailed regulations and operational requirements for the scheme were not finalised until quite recently. Poor management and lack of cost controls in the development of the new regime have been severely criticised in two reports from the National Audit Office.¹⁴⁷

It is still the case that the great majority of current UC claimants are single people, and it is only since late 2014 that UC has been available for families with children in a small number of areas. Even now UC is only available for new claims by couples and families with children in just over 125 Jobcentre areas.¹⁴⁸ In theory the roll out for all new claimants is due to be completed by September 2018, with existing claimants being switched over to UC between 2019 and 2022.

Concerns about the impact of the UC regime on rent arrears have been reinforced by the experiences of the social landlords involved in the DWP direct payment demonstration projects. Over the eighteen months of the programme average rent payment rates across the projects were estimated to be 5.5 per cent lower than would have been the

case without direct payments.¹⁴⁹ While rates of underpayment declined over the course of the operation of the projects, under payments were also erratic and difficult to predict (and therefore manage), reflecting the complexities and challenges of unforeseen circumstances on low income households' budgets.

A more recent independent survey by council landlord organisations has also found that UC has contributed to higher arrears levels. But it also highlighted that a high proportion of tenants had arrears even before being switched to UC, and that subsequently for more than two fifths of all tenants in arrears arrangements have now been made to make direct payments to the landlords. This is rather higher than the figures given by DWP data, but that relates to May 2016, while the landlord survey data is for September 2016.¹⁵⁰

While the original UC regime would not, in itself, have involved any further reduction in benefit levels, it would have still involved gainers and losers relative to the current regimes, albeit that existing claimants would be provided with transitional protection.¹⁵¹ However the potential work incentive credentials of the UC regime have been undermined by the UC reforms announced in the Summer 2015 Budget. These involved, alongside other changes, a reduction in the permitted earnings levels before working claimants begin to be subject to a 'tapered' reduction in their entitlement.

While the pre Brexit vote Conservative Government, led by David Cameron, backtracked on its proposals for tax credit cuts in the 2015 Autumn Statement, it

¹⁴⁶ Section 4.3 in Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.

¹⁴⁷ NAO (2013) *Universal Credit: early progress*. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>; NAO (2014) *Universal Credit: progress update*. <http://www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf>

¹⁴⁸ DWP (2016) 'Jobcentre areas where couples and families can claim Universal Credit', *DWP Guidance, 14th December*: <https://www.gov.uk/guidance/jobcentres-where-you-can-claim-universal-credit#history>

¹⁴⁹ Hickman, P., Reeve, K., Wilson, I., Green, S., Dayson, C. & Kemp, P. (2014) *Direct Payment Demonstration Projects: Key findings of the programme evaluation*. London: DWP.

¹⁵⁰ ARCH & NFA (2017) *Universal Credit – Progress Update: 2016 NFA & ARCH Welfare Reform Survey Findings*. ARCH & NFA.

¹⁵¹ DWP (2012) *Universal Credit Impact Assessment*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf

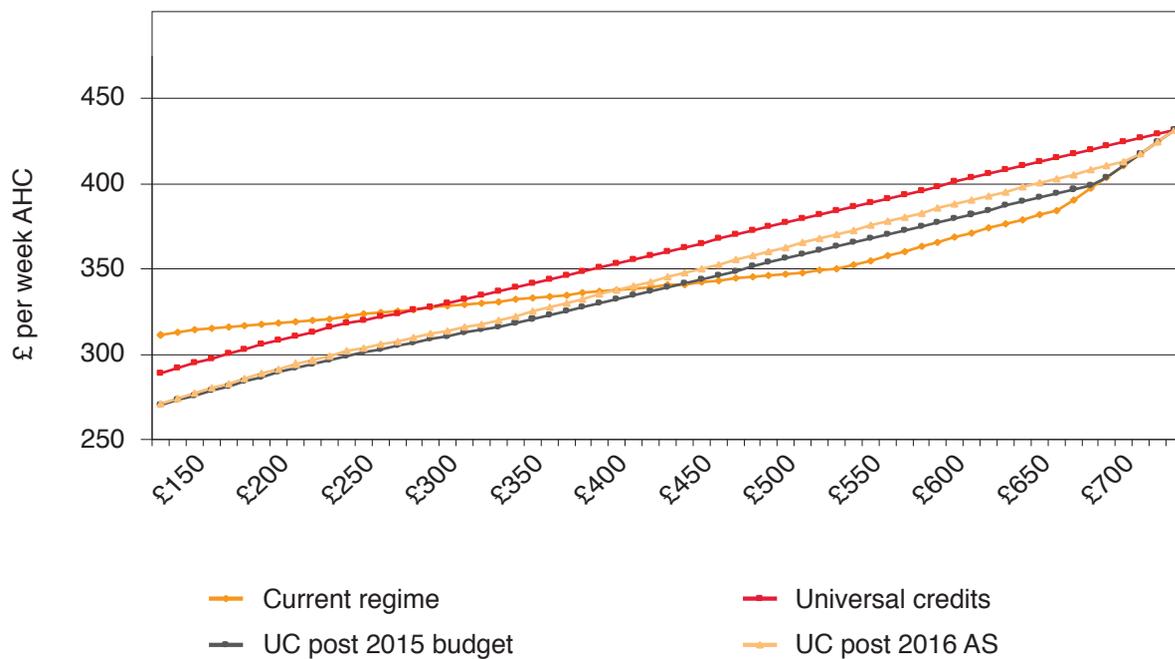
confirmed that the cuts to UC allowances would go ahead. The lower UC ‘work allowances’ came into effect in April 2016. The higher child allowance for a first child within UC allowances will be removed from April 2017. The 2016 Autumn Statement reform to partly offset those cuts by reducing the UC taper rate from 65 per cent to 63 per cent (also from April 2017) will only have a marginal impact for households in lower paid employment, as illustrated in Figure 3.4.

Figure 3.4 focuses on the case of a lone parent with two children. As can be seen for those earning less than £260 a week even the initial UC scheme would have left them worse off when compared to the existing tax credit and Housing Benefit regime. But with

the cuts to the UC regime they would have been left worse off unless they earned more than £400 per week. With the lower taper rate announced in the 2016 Autumn Statement they are still worse off unless they earn more than £370 per week. While the disadvantages are less pronounced for couples with children it is also the case that the lower taper rate does little to offset the impact of the cuts to the UC allowances that will remain in place.

The diminished work incentives offered to households in low paid work must also be seen in the context of the broader economic context, the rise in housing costs associated with the growth of private renting, and previous in work welfare benefit cuts, that have together resulted in record

Figure 3.4 Impact of Universal Credit reforms on total net income after housing costs (AHC)



Lone parent with two children and £120 pw rent. Based on 2016/17 scale rates

Source: Calculations by authors based on scheme criteria.

levels of poverty among members of working families.¹⁵²

The failure to include Council Tax Benefit (CTB) within Universal Credit, and the difficulties and complexities of the variable replacement schemes now being introduced in England (see below), also detracts from the simplification and incentive objectives for the scheme.

The vast majority of local authorities responding to the 2016 survey were concerned that the full roll out of Universal Credit would further increase homelessness. Almost nine out of ten respondents (89%) took this view. As demonstrated by their supporting comments, many believed it risky to place greater reliance on vulnerable people who might lack adequate budget management capacity or struggle with online application processes:

“We have already evicted some households from our own stock who were switched onto Universal Credit and did not pay their rent. It is bonkers.” (LA respondent, the South, 2016)

“Rent arrears are likely to increase and therefore significant increased housing advice work will be needed to negotiate relationships between tenant and landlord. This will lead to increased evictions from both PRS and social [tenancies]. Prevention into PRS will become less accessible as landlords will withdraw without having the comfort of direct HB [Housing Benefit] payments.” (LA respondent, London, 2016)

“I believe that by paying the housing element of Universal Credit direct to those with mental illnesses, drug and alcohol problems will only lead to more homelessness. There is a degree of

protection in the present system as the Council’s HB unit can pay HB direct to the landlord if the tenant is likely to default on the rent and put themselves at risk of homelessness. If this is removed the likelihood is that more will accrue rent arrears and face homelessness.” (LA respondent, the Midlands, 2016)

The negative impact on landlord behaviour was also widely noted:

“We are already seeing the effects in that private landlords are not prepared to accept applicants on UC due to delays in payment and also serving notice due to payment delays.” (LA respondent, the South, 2016)

“Landlords are already reluctant to house our clients even with the incentive of assistance with HB claims and direct payments. UC will add to their reluctance.” (LA respondent, the Midlands, 2016)

Council Tax Benefit

In 2013/14, Central Government reduced by 10 per cent its funding for Council Tax Benefit (CTB), and in England the national CTB scheme has been replaced in England by locally determined ‘Council Tax Support (CTS) schemes’. In Scotland and Wales, the existing schemes have continued, with a mixture of Scottish and Welsh Government and LA funding making good the reduction in Central Government support.

In England the position is far more varied, but in the first year almost one fifth of all councils made no changes to the old CTB scheme, and covered the costs of the Central Government budget cuts from their own resources.¹⁵³ The overall savings to Central Government from the 10 per cent budget cut amount to some £490 million in 2013/14; but because of the interventions by the Scottish

¹⁵² Tinson, A, Ayrton, C, Barker, K, Born, B, Aldridge, H & Kenway, P (2016) *Monitoring Poverty and Social Exclusion 2016*. York: JRF.

¹⁵³ New Policy Institute (2014) *Council Tax Support Update*. <http://counciltaxsupport.org/201314/localschemes/>

and Welsh Governments, and some local authorities, it is estimated that only some £340 million of those cuts were actually passed on to claimants.¹⁵⁴

While decisions on CTS schemes have been left to individual councils, initially DCLG influenced the decisions through a one year only tranche of transitional funding to councils that introduced schemes within approved criteria. In subsequent years, with the ending of the transitional DCLG support and increasing pressures on council budgets, many councils have made further changes reducing the level of support provided by their local schemes. By 2016/17 just 41 councils are still operating a scheme based on the old CTB, without any change, and only 58 councils did not require any minimum payment of council tax, while a further six require only a nominal minimum payment of £0.50 or £1 per week. Sixty-seven councils require a minimum payment of up to 10 per cent per week, and a further 57 require a minimum payment of up to 20 per cent per week. Sixty-four LAs require a minimum payment of up to 30 per cent per week while two councils require an even greater minimum payment – Medway (35%) and Kettering (45%). A small number of councils (18) have increased the ‘taper rate’ at which support is withdrawn against higher incomes – mainly to 25 per cent. Rather more councils (86) have reduced the maximum savings threshold – in 63 cases to a new low level of £6,000.

In the main the reductions in levels of CTS entitlement have been relatively modest so far, with an estimated 2.5 million households in England having their CTS entitlement reduced by an average of marginally over

£3 per week in 2013/14. However, the level of reductions will have increased over each subsequent year, and over time the issues arising from those reductions will be increasingly felt.

There are also concerns about the additional administrative costs arising for councils, and also costs in the form of Council Tax arrears, a proportion of which is likely to have to be written off.¹⁵⁵ Those concerns have been noted by the Public Accounts Committee of the House of Commons,¹⁵⁶ and the latest data shows that in year council tax arrears rose by 21 per cent in 2013/14, and have increased further in the following two years, having been at virtually unchanged levels for the three years before the new CTS regime was introduced. At the same time council court and administration costs for dealing with council tax arrears have also risen and by 2015/16 they were 35 per cent higher than in 2012/13.¹⁵⁷

While council tax arrears, in themselves, will rarely be a cause of homelessness, they can exacerbate the financial difficulties for households impacted by other welfare reforms and thus contribute to the likelihood that households will find the continued occupation of their current home unsustainable.

Benefit sanctions

Previous editions of the Monitor have highlighted acute concern about the impact of the post-2012 intensified sanctions and conditionality regime on those at risk of or experiencing homelessness. Monthly sanction rates for Jobseeker’s Allowance claimants peaked at 7.5 per cent in 2013, but have now fallen back to around 3 per cent.¹⁵⁸ The overall proportion of claimants

¹⁵⁴ Adam, S., Browne, J., Jeffs, W. & Joyce, R. (2014) *Council Tax Support Schemes in England: What did local authorities choose, and with what effects?* London: Institute for Fiscal Studies.

¹⁵⁵ New Policy Institute (2014) *The Impact of Council Tax Support Reduction on Arrears, Collection Rates and Court and Administration Costs*. http://npi.org.uk/files/7014/1163/6932/The_impacts_of_CTS_reduction_on_arrears_collection_rates_and_court_and_admin_costs.pdf

¹⁵⁶ House of Commons Committee of Public Accounts (2014) *Council Tax Support, HC 943, Forth-eighth Report of Session 2013-14*. London: The Stationery Office.

¹⁵⁷ DCLG (2016) *Collection Rates and Receipts of Council Tax and Non-Domestic Rates in England 2015-16 (revised)*. London: DCLG.

¹⁵⁸ NAO (2016) *Report by the Comptroller and Auditor General. Department for Work & Pensions – Benefit sanctions*. London: NAO.

who experience a sanction however is much higher: around one in four Jobseeker's Allowance claimants between 2010 and 2015 received a sanction.¹⁵⁹

Controversy over the effectiveness and negative consequences of benefit conditionality continues¹⁶⁰ and was reignited by the National Audit Office's (NAO) review of the administration and value for money of benefit sanctions. The highly critical report highlighted the inconsistency (over time and geographically) of sanctions referral practice, a lack of evidence on the effectiveness of current conditionality and sanctions, and the (currently unknown) wider cost of sanctions, including on public services, given their documented impacts on people's health, mental health and financial circumstances. The NAO was unable to conclude that the current administration of benefit sanctions achieves value for money and called for a wide-ranging review.

Crisis research published in 2015 evidenced the very high sanctions rates experienced by homeless service users, indicating that 39 per cent of homeless survey respondents subject to conditionality (as Jobseekers' Allowance of Employment and Support Allowance Work-Related Activity Group recipients) had received a sanction in the past year.¹⁶¹ Data published in response to a Freedom of Information

request in 2016 indicates that the comparable all-claimant sanction rate for the same period was 11 per cent,¹⁶² suggesting that homeless service users are four times more likely to be sanctioned than claimants overall.

Ongoing qualitative research has highlighted that, while the principle of conditionality was often endorsed by both homeless individuals and service providers, current implementation was seen to be "*extremely problematic and difficult to justify*".¹⁶³ Research exploring the experiences of 300 formerly homeless people has also demonstrated the challenges sanctions pose during the resettlement process, often leading to problems with financial management and rent arrears.¹⁶⁴

Though discretionary 'easements' were introduced in 2014, enabling Jobcentre Plus advisers to suspend work-related activity requirements for homeless individuals experiencing a 'domestic emergency', there is no data available on the use of such easements. Key informants interviewed for this year's Monitor suggested that their use is '*patchy*' and '*inconsistent*'. A private member's bill introduced by SNP MP Mhairi Black proposed further safeguards for homeless and other vulnerable claimants,¹⁶⁵ but will not progress into law having been 'talked out' at its second reading.¹⁶⁶ Given the move to more onerous work-related

159 Ibid.

160 For example see: United Nations Committee on Economic, Social and Cultural Rights (2016) *Concluding Observations on the Sixth Periodic Report of the United Kingdom of Great Britain and Northern Ireland*. http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fGBR%2fCO%2f6&Lang=en; British Psychological Society (2016) 'British Psychological Society signs statement opposing welfare sanctions', *BPS News*, 30th November: <https://beta.bps.org.uk/news-and-policy/british-psychological-society-signs-statement-opposing-welfare-sanctions>

161 Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless People's Experiences of Welfare Conditionality and Benefit Sanctions*. London: Crisis.

162 The original report compared the sanction rate of surveyed homeless service users to the best available comparable figure of 19% cited in last year's Homelessness Monitor. This more accurate comparator was calculated by Mike Foden (CRESR, Sheffield Hallam University) based on data published in Freedom of Information request Reference 2015-2187. See also Reeve, K. (2016) 'Homeless People's Experiences of Welfare Conditionality and Benefit Sanctions'. Paper presented at *Tackling homelessness in Bristol: developing and sharing best practice*, Bristol, November 9th: <http://housing-studies-association.org/2016/11/tackling-homelessness-developing-sharing-best-practice/>

163 p. 11 in Johnsen, S., Watts, B. & Fitzpatrick, S. (2016) *First Wave Findings: Homelessness. Welfare Conditionality: Sanctions, Support and Behaviour Change*. <http://www.welfareconditionality.ac.uk/wp-content/uploads/2016/05/WelCond-findings-homelessness-May16.pdf>

164 Crane, M., Joly, L. & Manthorpe, J. (2016) *Rebuilding Lives: Formerly homeless people's experiences of independent living and their longer-term outcomes*. London: The Social Care Workforce Research Unit, The Policy Institute, King's College London.

165 Kennedy, S. & Keen, R. (2016) *Benefit Claimants Sanctions (Required Assessment) Bill 2016-17, House of Commons Library Briefing Paper 7813*. <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7813#fullreport>

166 The National (2016) 'Parliament 'wastes opportunity' to stop misery of sanctions as Tories block Black's private Bill', *The National*, 3rd December: http://www.thenational.scot/news/14944217.Parliament_wastes_opportunity_to_stop_misery_of_sanctions_as_Tories_block_Black_s_private_Bill/

requirements and sanctions regime under Universal Credit, it is crucial that continued attention is paid to the impact of benefit conditionality on those experiencing or at risk of homelessness as UC is rolled out.

Local welfare assistance

There have been concerns about the adequacy of emergency welfare provision since the national Social Fund was abolished in 2013. Local authorities have since been able, but not required, to establish Local Welfare Assistance (LWA) schemes. Funding for these local schemes has been identified, but not ring fenced, within the revenue support grant from central government to local authorities, with total identified funding substantially lower than spending under the Social Fund.¹⁶⁷ Evidence that 80 per cent of councils in 2013/14 and 24 per cent in 2014/15 underspent their funding allocation appears to be the consequence of a cautious approach given uncertainty about demand in the first year of provision, and subsequently, uncertainty about future funding arrangements, encouraging local authorities to spend their 2014/15 allocation over a longer time period.¹⁶⁸ In 2015/16, £129.6 million was initially identified as intended for LWA provision, but following consultation with local authorities a further £74 million was made available. The same sum of £129.6 million was identified in the 2016/17 financial settlement, with no repeat of the additional £74 million funding, meaning

that local authorities are operating schemes with substantially less money than last year.

Homeless organisations continue to voice concern about the capacity of LWA schemes to adequately prevent homelessness and repeat homelessness in a context where local authorities are not obliged to run such schemes, have complete discretion over how they are designed, and are facing severe financial pressures.¹⁶⁹ Concerns about the adequacy and coverage of these schemes have also been raised by two 2016 investigations of local welfare assistance, by the House of Commons Work and Pensions Committee and the National Audit Office.¹⁷⁰

Several specific points are worth highlighting here. First, restrictive ‘local connection’ and ‘residency’ criteria adopted in some local authorities are reportedly excluding vulnerable groups, in particular women fleeing domestic violence and people leaving care or prison (all groups at high risk of homelessness). Second, ‘in kind’ rather than ‘cash’ forms of support dominate (only one in four councils offer cash support),¹⁷¹ but may not be the most effective way to alleviate hardship, ensure value for money or promote the autonomy and independence of recipients.¹⁷² Third, the National Audit Office confirms that some local authorities have ceased provision of LWA entirely.¹⁷³

All that said, the Work and Pensions

¹⁶⁷ p. 16 in NAO (2016) *Local government report by the Comptroller and Auditor General: Local government - Local welfare provision*. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

¹⁶⁸ House of Commons Work and Pensions Committee (2016) *The Local Welfare Safety Net*. <http://www.parliament.uk/documents/commons-committees/work-and-pensions/373.pdf>; House of Commons Work and Pensions Committee (2016) *The Local Welfare Safety Net: Government Response to the Committee's Fifth Report of Session 2015–16*. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/924/924.pdf>

¹⁶⁹ St Mungo's (2016) *Local Government Finance Settlement 2016 to 2017: consultation Submission from St Mungo's*. <http://www.mungos.org/documents/6892/6892.pdf>; Mathie, H. (2016) ‘Local Welfare Assistance: a key role but an uncertain future’, *Homeless Link blog*, 14th January. <http://www.homeless.org.uk/connect/blogs/2016/jan/14/local-welfare-assistance-key-role-but-uncertain-future>

¹⁷⁰ House of Commons Work and Pensions Committee (2016) *The Local Welfare Safety Net: Government Response to the Committee's Fifth Report of Session 2015–16*. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/924/924.pdf>; NAO (2016) *Local government report by the Comptroller and Auditor General: Local Government - Local welfare provision*. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

¹⁷¹ NAO (2016) *Local government report by the Comptroller and Auditor General: Local government - Local welfare provision*. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

¹⁷² House of Commons Work and Pensions Committee (2016) *The Local Welfare Safety Net: Government Response to the Committee's Fifth Report of Session 2015–16*. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/924/924.pdf>

¹⁷³ NAO (2016) *Local government report by the Comptroller and Auditor General: Local government - Local welfare provision*. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

Committee's inquiry highlights examples of positive local practice, for example, where the localisation of emergency welfare assistance has enabled flexible and tailored responses to local need and facilitated coordination between local services e.g. Jobcentre Plus, benefit teams and local welfare assistance programmes. Likewise, this year's LA survey indicates 'mixed' impacts of the localism agenda on homelessness (see above), with some LAs emphasising positive impacts:

"Having locally determined forms of welfare such as Discretionary Housing Payments [and] Local Welfare Assistance Funds has helped us to target these funds to preventing and relieving homelessness. Bringing together this type of support, budgeting, employment and homelessness support has enabled us to stabilise households' position more effectively."
(LA respondent, London, 2016)

Other LAs, however, noted reductions in the level and breadth of welfare assistance offered year on year in their area, and that in some cases there was no LWA scheme at all. This may be considered particularly concerning in a context where demand for LWA is anticipated to increase as a consequence of the continued roll out of Universal Credit,¹⁷⁴ further tightening of the benefit sanction regime, and ongoing cuts to working age welfare entitlements (see above). Ongoing changes to local government finance will further limit less affluent councils' spending powers, which may make spending on LWA less likely in areas of highest need (see below).¹⁷⁵

The Cumulative Impact on Access to Housing of Different Household Types

We discussed the relative ease with which LAs reported being able to help homeless

applicants access different housing tenures in Chapter 2. Another way of gauging this issue is to explore how easy or difficult it is for LAs to assist different household types into accommodation in their area. The 2016 survey results reveal significant differences in the scale of this challenge for different types of households, at least as perceived by LAs (see Appendix 1, Table 5).

The group for whom this was reported as typically most problematic was large families (with 3+ children), with 60 per cent of all LAs reporting that finding such households accommodation was "very difficult" in their area. However, there were also very large proportions of LAs reporting that it was very difficult to find accommodation in their area for single people aged 25-34 years olds (49%), 22-24 years old (46%), 18-21 years old (44%), and 16-17 years old (42%). The only groups for whom it was substantially less common to report significant rehousing difficulties were single people aged over 35 and small families, but even here around one quarter of all LAs did so.

As would be expected, there was significant regional variation, with the incidence of LAs finding it 'somewhat difficult' or 'very difficult' to house each specific group being generally higher in London and the South and lower in the Midlands and the North. However, the extent of such regional differences varied considerably from group to group. The sharpest variations related to small families. Thirty-one per cent of Northern LAs and 23 per cent of Midlands LAs reported that this group was 'fairly easy' to accommodate, as compared with 6 per cent of Southern LAs and 0 per cent of London boroughs.

Conversely, with respect to housing young single people – especially those in the 18-34

¹⁷⁴ NAO (2016) *Local government report by the Comptroller and Auditor General: Local government - Local welfare provision*. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf>

¹⁷⁵ House of Commons Work and Pensions Committee (2016) *The Local Welfare Safety Net: Government Response to the Committee's Fifth Report of Session 2015-16*. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/924/924.pdf>

age groups – the inter-regional differences were somewhat less marked. For example, even in the North, only 5 per cent of respondents reported it as ‘easy’ to help 18-21s to access tenancies.

Every group was found ‘very difficult’ to assist from the perspective of most London boroughs. For example, this was reported to be true by 94 per cent in relation to large families, by 88 per cent in relation to small families and by 69 per cent for single people aged 35 and over.

In explaining the factors underlying reported ‘somewhat difficult’ or ‘very difficult’ judgements, survey participants generally alluded to a combination of the housing stock profile in their area, welfare reform restrictions, and (private and social) landlord responses:

“There are fewer larger social tenancies which will accommodate a large household, in the private rented sector it is difficult to find anything that is affordable for a larger household.” (LA respondent, the South, 2016)

“Changes to Housing Benefit have placed additional demand on 2-bed housing which is highest in volume of need. Benefit cap policy continues to make finding housing for larger households very difficult.” (LA respondent, the Midlands, 2016)

“Increased evidence of social landlords restricting access to young people and single people. Acute shortage of 1-bed property in the city ... SAR is a significant barrier to young people.” (LA respondent, the North, 2016)

“Our principal housing provider is refusing to let to all under 35s irrespective of their income.” (LA respondent, the South, 2016)

The LA survey also collected respondent

expectations regarding future changes affecting the rehousing prospects of different applicant categories. It was apparent from the results that LAs are generally pessimistic about the direction of travel, especially as regards single people aged 18-34, with two-thirds reporting that it would become “much more difficult” for these households to access accommodation in their area (see Appendix 1, Table 8). The only groups for which expectations were slightly less overwhelmingly negative were small families and single people aged over 35, but even here 39 per cent and 42 per cent of LAs respectively predicted that it would become “much more difficult” to rehouse these homeless households.

In explaining their underlying thinking here, most respondents referred to various aspects of ongoing welfare reform as summed up here:

“Frozen LHA; changes to supported accommodation funding; tax implications for PRS landlords passing this onto tenants; HB for under 35s aligned with social housing from next year; existing pressures creating bottleneck. The list goes on...” (LA respondent, the South, 2016)

Beyond these specific issues, the most frequently cited concern was the benefit cap:

“With the benefit cap hitting more families, more accommodation is becoming unaffordable, even social housing that people look to. With registered providers having to move away from being ‘social housing’ providers this reduces the accommodation that vulnerable households can access.” (LA respondent, London, 2016)

Other respondents also reported worries that, thanks to the erosion of rent-paying capacity due to benefit cuts, housing associations

were becoming increasingly risk averse in relation to rehousing those groups (such as single people aged under 35) particularly affected (see also Chapter 2):

“Welfare reforms have hit single people the most and housing associations look at affordability before offering a property.” (LA respondent, the Midlands, 2016)

“The impact of welfare reform will make accommodation unaffordable for many households, and in some cases households won’t even be able to afford to live in social housing. RPs are already talking about restricting access to those over 35.” (LA respondent, the North, 2016)

Local authority budget cuts

It is increasingly apparent from the LA survey responses discussed earlier, as well as from wider indications, that local authorities are attempting to respond to the challenges of homelessness with significantly reduced resources, due to the ongoing cuts in local government funding and budgets in the period since 2010 and projected forward into the next 3 years. Austerity may have been less emphasized in the recent Autumn Statement but in effect an austerity programme continues to be applied to local government in England, and especially to more deprived northern urban local authorities. How is this impacting on homelessness and related services?

We draw here on recently updated analyses of local authority budgets carried out originally as part of research for the Joseph Rowntree Foundation and published in 2015.¹⁷⁶ Local government expenditure on homelessness is part of their ‘General Fund’¹⁷⁷ current expenditure on housing-related services, which also includes housing

aid/advice, broader welfare services under the former ‘Supporting People’ banner, and administration of the Housing Benefit system. It can be seen that spending specifically on homelessness has increased somewhat in this period (by 13% since 2010), this is certainly because Government has emphasized it as a priority area and provided specific grant support for homelessness services. However, the other side of the coin is that the other aspects of local authority current spending on housing have all been cut back very sharply, so that in fact the overall spending on housing has dropped by 46 per cent in real terms. The largest cutback has been in the formerly ring-fenced Supporting People programme, which has now been cut by 67 per cent in real terms since 2010. As noted above, this programme was used to a very significant extent to support services for single homeless people.

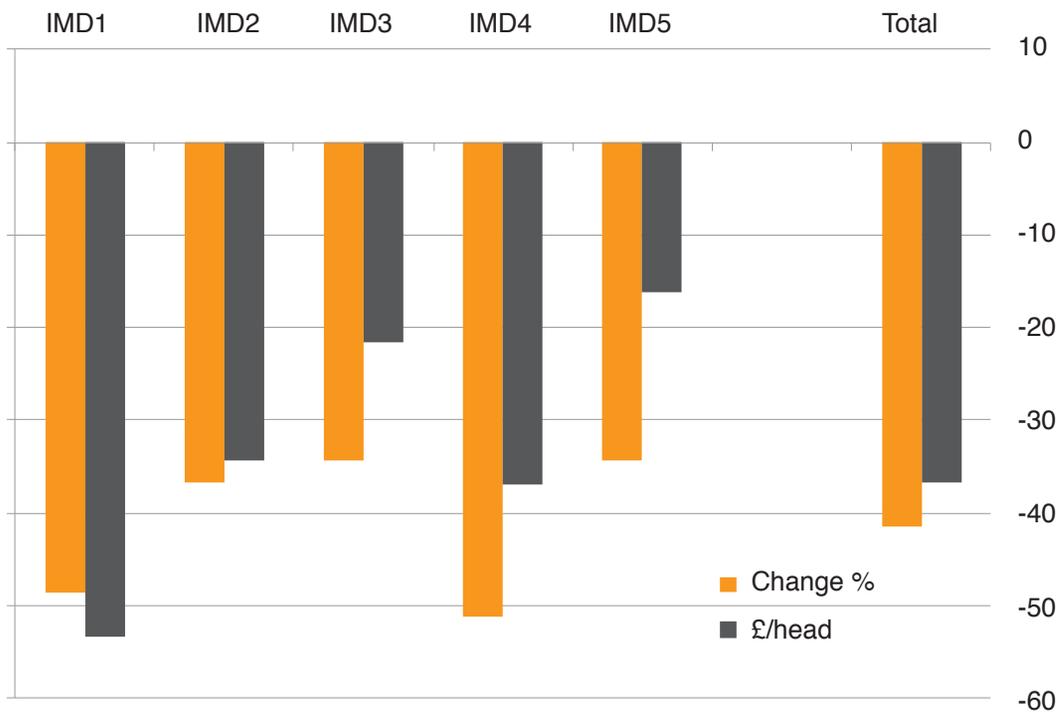
These cutbacks have been geographically uneven. In outer London and shire districts, housing spending is down 29 per cent in real terms, while the cut is 39 per cent in Inner London, 52 per cent in English Unitary authorities and 60 per cent in Metropolitan Districts. The following chart shows the pattern of cuts, expressed as both a percentage and in £ per head of resident population, according to the deprivation level of the local authority measured by the Index of Multiple Deprivation ‘low income score’ index. Figure 3.5 shows that spending was reduced substantially in all types of area, but that the most deprived local authorities made the largest cut, both in percentage terms and in terms of £ per head. Indeed, the difference in absolute spending cut per head between the most and least deprived is between £53 and £16, a three-fold difference.

Looking at the cutbacks affecting particular

¹⁷⁶ Hastings, A., Bailey, N., Bramley, G., Gannon, M. & Watkins, D. (2015) *The Cost of the Cuts: The impact on Local Government and poorer communities*. York: JRF.

¹⁷⁷ This is distinct from any expenditure provided specifically to tenants of council housing, which would be funded through the ‘ring fenced’ Housing Revenue Account, in the case of local authorities retaining a stock of council housing. It also excludes capital investment spending and any associated ‘capital charges’.

Figure 3.5 Change in current spending budgets for housing by deprivation level, English all-purpose authorities 2010-16.



Note: Deprivation level defined by quintiles of local authorities using the ‘low income score’ measure in the 2010 IMD, where IMD 1 = most deprived; IMD 5 = least deprived.

local authorities, it is noteworthy that particularly large cuts in this budget are associated with large provincial urban authorities, which have had and continue to have significantly high levels of homelessness. Authorities where the cutback is greater than 70 per cent and greater than £70 per head include: Bristol, Leicester, Shropshire, Manchester, Rochdale, Liverpool, Wirral, and Sandwell – only one of these does not fit the above description.¹⁷⁸ There are some rather large cuts in per capita spending in London, but in percentage terms these are somewhat less extreme.

The evidence of disproportionate cuts affecting deprived urban authorities is part of a much larger picture, whereby the relative spending level of such authorities supported by the local government finance system has dropped sharply. Between 1997 and 2010, the most deprived fifth local authorities saw levels of per capita spending about 45 per cent above the levels of the least deprived (most affluent) authorities. This was the result of long established ‘equalisation’ grant arrangements¹⁷⁹ which compensated for differences in needs and taxable resources, together with certain specific grants which

¹⁷⁸ The Shropshire figures may be anomalous, because this authority was a newly formed Unitary Council in 2009 and the base level of the budgets may not have been accurately established for its first year or so.

¹⁷⁹ Key readings on ‘equalisation’ and local government finance in a UK context include: Boyle, L. (1966) *Equalization and the Future of Local Government*. Edinburgh: Oliver & Boyd; Foster, C., Jackman, R. & Perlman, M. (1980) *Local Government Finance in a Unitary State*. London: Allen & Unwin; King, D. (1984) *Fiscal Tiers: The economics of multi-level government*. London: Allen & Unwin; and Bramley, G. (1990) *Equalization Grants and Local Expenditure Needs: the price of equality*. Aldershot: Avebury.

also targeted areas of greater need. Between 2010 and 2016, the spending level¹⁸⁰ of the most deprived fifth of all-purpose authorities has dropped from 45 per cent above the level of the least deprived to only 19 per cent above. The continuation of cuts envisaged in the Budget and Local Government Finance Settlement, potential outcomes of a ‘fairer funding’ reviews for education and other services, the localisation of revenues from business rates, all seem likely to accentuate this downward shift. The authorities suffering from these excess budgetary pressures are also those where the impacts of welfare reform and benefit cuts are most concentrated, as demonstrated in the study by Beatty and Fothergill.¹⁸¹

3.4 Key points

- One of the most important developments over the past year has been the bringing forward of a Homelessness Reduction Bill to place LA prevention duties and obligations to single homeless people on a firmer statutory footing. At the time of writing, this proposed legislation was still undergoing Parliamentary scrutiny, with both statutory and voluntary sector key informants judging that the current draft represented a ‘reasonable’ balance between competing interests in a very challenging structural climate.
- Important context here is the austerity programme that continues to be applied to local government in England, and which is impacting disproportionately on deprived northern urban local authorities. Thus, while LA spending on homelessness has increased since 2010, reflecting the priority attached to this area by central government, overall council spending on housing has dropped by 46 per cent in real terms, with an even larger cutback in their Supporting People programmes (67%).
- As a result, supported accommodation was reported to be under acute pressure across the country. While homelessness organisations cautiously welcomed the recent decision to delay and mitigate the extension of the LHA caps to tenants of supported housing, significant concerns remain about the effects on the supported accommodation sector of the social housing rent reduction from April 2017. With costs of TA continuing to ‘spiral’ in the capital, there were calls from some key informants to recognise the unique pressures in the capital in establishing the distribution formula for the new upfront TA funding pot.
- While many local authorities reported ‘mixed’ effects of the ‘localism’ agenda on homelessness in their area, they tended to be more heavily critical of measures in the Housing and Planning Act 2016, especially the voluntary Right to Buy for housing association tenants and the associated mandatory sales of high value council properties, and the re-definition of ‘affordable housing’ to encompass ‘starter homes’.
- The welfare cuts introduced in this decade, and those planned for introduction in the coming years will cumulatively reduce the incomes of poor households in and out of work by some £25 billion a year by 2020/21. This is in a context where existing welfare cuts, economic trends and higher housing costs associated with the growth of private renting have already increased poverty amongst members of working families to record levels.

¹⁸⁰ Current spending on services, excluding education which has been much affected by the programme of ‘academisation’, and public health which is a newly transferred responsibility of local government.

¹⁸¹ Beatty, C. & Fothergill, S. (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

- The SAR limits for single people aged under 35 have already had a marked impact in reducing (by some 40%) their access to the PRS. In inner London, the impact of the national Local Housing Allowance caps has led to a similar reduction in the capacity of other low-income households to secure, or maintain, private rented sector tenancies.
- So far the overall benefit cap has had a limited impact, but this is set to increase fourfold with the advent of the lower caps announced in the Summer Budget, and will make it highly problematic for larger families not just in London, but across the country.
- The impact of the ‘Bedroom Tax’ has been mitigated by the use of DHPs, but there are concerns that this will be difficult to sustain given the increased pressures on the overall budget for DHPs.
- There are continuing concerns about the many difficulties that the administrative arrangements for Universal Credits pose for vulnerable households. The cuts to Universal Credit announced in the 2015 Summer Budget will also significantly erode the potential ‘work incentive’ benefits of the scheme, and are only marginally mitigated by the reduction to the UC taper rate announced in the 2016 Autumn Statement.
- The new welfare reforms announced in the summer 2015 Budget and Autumn Statement of the current Conservative Government will have particularly marked consequences both for families with more than two children, and for young single people who will either potentially be entirely excluded from support with their housing costs (if 18-21 and not subject to an exemption), or subject to SAR limits on eligible rents in the social as well as the PRS. Consequently, these are the groups that LAs reported greatest difficulty in rehousing.
- Upward pressure on youth homelessness is anticipated in the next few years given acute concerns about the impact of impending further reductions in some young people’s entitlements to support with housing costs under Universal Credit and changes to supported accommodation funding that may undermine the viability of some youth homelessness accommodation projects.
- Homeless service users are four times more likely to be sanctioned than claimants overall. There is now clear evidence that sanctions can cause homelessness and hamper resettlement and that the implementation of benefit conditionality is inconsistent and often hard to justify in the case of vulnerable claimants.
- Funding for emergency local welfare assistance has been substantially lowered in 2016/17 and there are concerns about the adequacy of locally designed schemes, particularly in light of the use of restrictive local connection and residency criteria which appear to be impacting on some vulnerable groups. Some LAs have entirely ceased to operate such a scheme, but others report that the localization of such assistance has enabled the tailoring of support to local needs and better coordination with local services.

4. Homelessness trends in England

4.1 Introduction

Previous chapters have reviewed the possible homelessness implications of the post-2007 economic recession and subsequent recovery, and policy reforms instituted by post-2010 Westminster governments. This chapter assesses how far these are matched by recent homelessness statistical trends.¹⁸² Financial year 2009/10 is treated as the baseline for most of the trend over time analysis in this chapter. The main justification for this is that 2009/10 marked the culmination of a period of falling statutory homelessness numbers, following from the pro-active ‘prevention-focused’ approach championed by the former Labour Government from 2002. The choice of the 2009/10 base date also reflects the fact that it was the last year before the current ‘austerity era’ and associated welfare reforms began.

4.2 Rough sleeping

National trends

An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2016, with the national total up by 132 per cent since 2010 and by 16 per cent since 2015 (see Figure 4.1). Compounding a sharp increase in 2015, this leaves the latest England-wide figure having risen by 51 per cent in just two years. Also notable is that, at 21 per cent, the 2016 increase was much higher outside London than in the capital (where the total was up by only 3%). The longer term trend has been one of particularly rapid increase in the South of England – 166 per cent higher in 2016 than in 2010.

While a few councils attribute their reported rough sleeper statistics to formal street counts, some 85 per cent of 2016 returns were declared as ‘estimates’ (compared with only 73% in 2014). Given this, we believe it appropriate to refer to these figures, collectively, as ‘estimates’. The UK Statistics Authority was highly critical of these official rough sleeping statistics in its report published in December 2015, stating that they did not meet the required standards of trustworthiness, quality and value to be designated as ‘National Statistics’.¹⁸³ One essential first step required by the UKSA was for Government statisticians to demonstrate greater control over decision making around their collection. We understand that there is an ongoing review of rough sleeping statistics being undertaken by DCLG, and data collection is likely to be reformed in the near future. One voluntary sector key informant in London was particularly vociferous with respect to the perceived shortcomings of the current rough sleeper statistics:

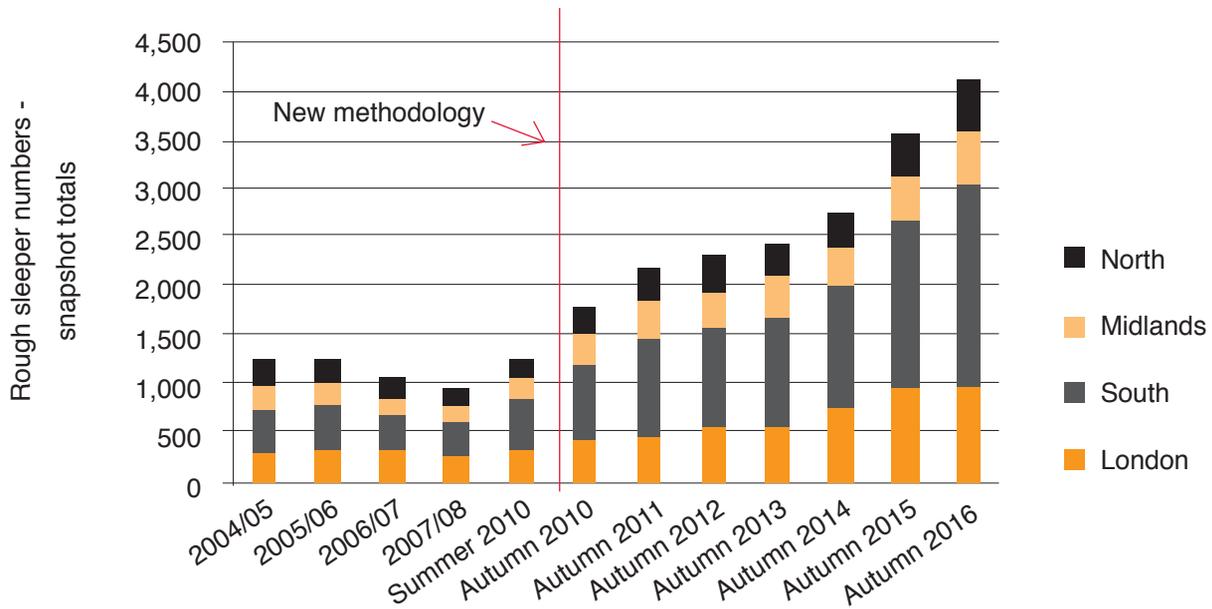
“They mean nothing, though, do they, those statistics? Because only 13 per cent are actually counts and the rest are estimates... my view is, the estimates are worse than the counts, but neither of them are very useful, and it’s probably time to call it all a day with these snapshot counts anyway.” (Senior manager, single homelessness service provider, 2016)

Another London-based key informant felt that the national rough sleeping figures were underestimates *“by a big factor.”* He further commented that the main factors driving (what he perceived to be) rising levels of rough sleeping, and single homelessness

¹⁸² Analysis draws on the most up-to-date published and unpublished data available at the time of writing (autumn 2015).

¹⁸³ UK Statistics Authority (2015) *Assessment of Compliance with the Code of Practice for Official Statistics: Statistics on Homelessness and Rough Sleeping in England*. London: UK Statistics Authority.

Figure 4.1 Trends in local authority rough sleeper estimates by region, 2004-2016



Sources: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns; Summer 2010 onwards – DCLG. Figures for the period to Summer 2010 are not strictly comparable with more recent estimates.

more generally, were “*tenancy breakdown*”, very often associated with benefit restrictions; growing “*mental health*” problems; and cutbacks in a range of support services (see further below). Even where based on actual street counts, local authority rough sleeper enumeration remains vulnerable to many of the critiques of such methodologies as detailed in the 2012 Monitor.¹⁸⁴

Rough sleeping in London

The most robust and comprehensive rough sleeper monitoring data in the UK remains the statistics collected routinely by the St Mungo’s CHAIN system in London.¹⁸⁵

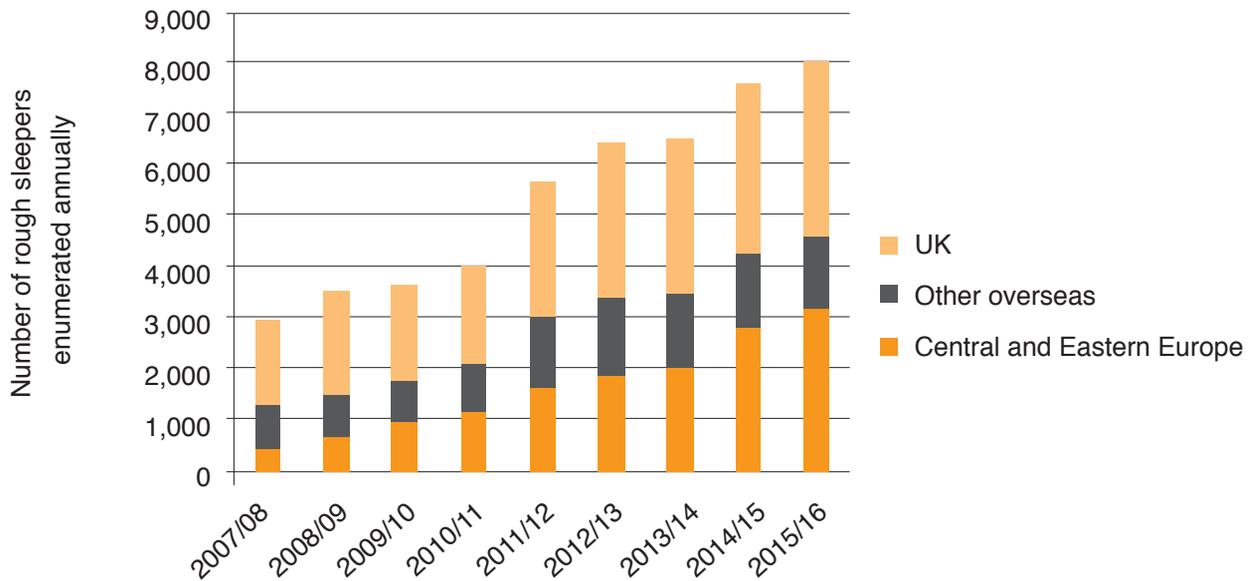
It should be emphasized that the CHAIN metrics are different and not directly comparable with the DCLG statistics reported above. Unlike the national numbers, the former involve ongoing monitoring of the rough sleeper population over a period of time rather than a single, point in time, snapshot count.

The CHAIN dataset nevertheless confirms the national picture (see above) – in terms of the rising trend of rough sleeping substantially pre-dating the post-2010 welfare reforms (see Figure 4.2). However, again broadly consistent with the DCLG statistics for

¹⁸⁴ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*; London: Crisis.

¹⁸⁵ Because this method enumerates people who have slept rough during a given period (financial year) the resulting figures cannot be directly compared with the ‘point in time’ snapshot numbers produced under the DCLG national monitoring methodology as described above.

Figure 4.2 Rough sleeping in London 2007/08-2015/16: breakdown by nationality



Source: GLA/CHAIN ‘Street to Home’ monitoring reports (<http://data.london.gov.uk/dataset/chain-reports>) Note: Individuals unclassified according to nationality have been distributed pro rata to those whose nationality was recorded.

London (see Figure 4.1) CHAIN data shows London rough sleeping having more than doubled since 2010 (up 104%). In 2015/16 the annual increase was 7 per cent.

A major contributor over the past few years has been the growing representation of Central and Eastern European (CEE) nationals among London’s rough sleepers. Since 2010/11 the number of CEE London rough sleepers has grown by 182 per cent, as compared with the 84 per cent increase in UK-origin counterparts. Nonetheless, as indicated by Figure 4.2, CEE nationals remained outnumbered by those of UK origin among London rough sleepers enumerated in 2015/16 (37% compared with 41%).

At least since the start of this decade the two most enduring trends have been:

- Steadily rising overall rough sleeper numbers, especially involving foreign nationals
- A (consequential) gradual increase in the proportion of rough sleepers who are non-UK nationals

On the face of it, the latest quarterly statistics (postdating the latest full year figure as included in Figure 4.2) suggest the possibility of a recent reversal in the above patterns. CHAIN data for Q2 2016/17 show a slight decrease in overall London rough sleeping numbers – down from 2,689 to 2,638 (-2%).¹⁸⁶ Moreover, allowing for seasonality, the reduction on the same quarter of 2015/16 was 8 per cent.

Integral to this trend has been a sharp decline in CEE rough sleepers. After years of rapid

186 Mayor of London (2016) CHAIN Quarterly Report Greater London July-Sept 2016 <https://data.london.gov.uk/dataset/chain-reports/resource/6cdbfcdf-bc2f-4c5a-a379-7c8cf7ec9cda>

growth, this total fell markedly during 2016 – from 953 (38% of the all-nationality total) in Q4 2015/16 to 721 (28% of the total) in Q2 2016/17. However, drilling down further, the CHAIN statistics show that virtually all of this reduction resulted from plummeting numbers of enumerated Romanian and Bulgarian rough sleepers.

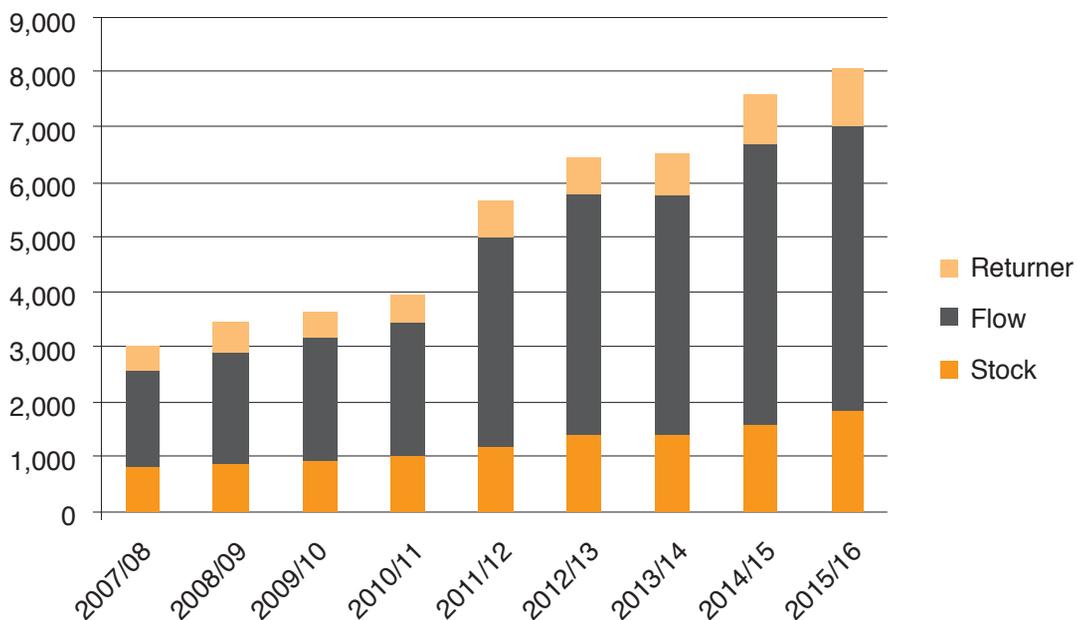
In fact, the recent sharp contraction in recorded CEE rough sleepers has masked an ongoing increase in rough sleeping involving UK nationals. The latest figures (Q2 2016/17) show this latter group as growing to 1,264 – up 6 per cent on the equivalent quarter of 2015/16. A result is that, in the Q2 2016/17 figures, UK nationals have bounced back to 49 per cent of the London rough sleeper total.

A sceptical comment about the enumeration of CEE rough sleepers voiced by one

London-based voluntary sector key informant perhaps raises doubts about the treatment of this cohort and therefore, by inference, changes in the all-nationality rough sleeper statistics that result:

“... I think with the Polish figures they did actually plateau, but with the Romanians, maybe not. I think the Roma, who are mostly Roma Romanians sleeping rough in London in encampments, are not being systematically engaged because, in a sense, what can you do? They’re sleeping rough in order to work. They haven’t got a high level of need. They’re not being each talked to, put on a database with a plan. So it may be that it’s just a matter of counting.” (Senior manager, single homelessness service provider, 2016)

Figure 4.3 Rough sleeping in London 2007/08-2015/16: breakdown by stock/flow/returner



Source: GLA/CHAIN ‘Street to Home’ monitoring reports <http://data.london.gov.uk/dataset/chain-reports>

Clearly, in the longer term one would expect Brexit to suppress CEE rough sleeper numbers in London, and elsewhere in the UK, but all remains speculation at present:

“...[Brexit] will impact on all aspects of what we do... in the homelessness sector... economically, socially, all of that will hit. It will hit our staffing; it will hit our clients; it will hit rough sleeping; it will hit the housing market.” (Senior manager, single homelessness service provider, 2016)

The great majority of London’s rough sleepers are part of an annual ‘flow’ of newly enumerated homeless, and this group have accounted for most of the rising trend in recent years (see Figure 4.3). However, over 2,800 were classed under the CHAIN system in 2015/16 as ‘stock’ or ‘returner’ cases – people also logged as rough sleepers in 2014/15 or in a previous year.¹⁸⁷

While accounting for only just over one in ten rough sleepers in the latest statistics, numbers in the ‘returner’ category have been growing over time at the same pace as rough sleepers overall. Returners are former rough sleepers who were ‘off the streets’ for at least one year prior to the year in which they are recorded as such. Important questions are therefore raised by their growing numbers: how long have they been away, in what forms of accommodation have they been living, and what has prompted renewed homelessness?

An area of concern highlighted by one key informant was rising hostel evictions in London:

“...the eviction rates in hostels have gone up, you know, shooting up, in comparison with the same period last year. So in the last quarter they’re up 21 per cent, from

11 [percent], if you compare it with the same period last year. Numbers of people moving on from hostels into long-term accommodation have gone down.” (Senior manager, single homelessness service provider, 2016)

Another notable recent development in London has been the implementation of ‘Registry Weeks’ in two Boroughs, Westminster and Croydon, inspired by the ‘100,000 Homes’ Programme in the United States.¹⁸⁸ This initiative involved members of the public, supported by local homelessness agencies, going onto the streets to ask people sleeping rough to complete a questionnaire about the circumstances that brought them onto the street and their subsequent experiences. According to one of those involved, the ‘added value’ of this approach over and above that which can be provided by CHAIN data was that it provides:

“...much deeper, richer information about people who are on the streets, collected by somebody perceived as being more independent.... And importantly, it’s a good way of engaging the public...” (Senior manager, single homelessness service provider, 2016)

However, the survey findings report from the Westminster pilot exercise concluded that the survey tool used did not add sufficient value to existing CHAIN data to justify its repeated use in that particular locality.¹⁸⁹

4.3 Single homelessness

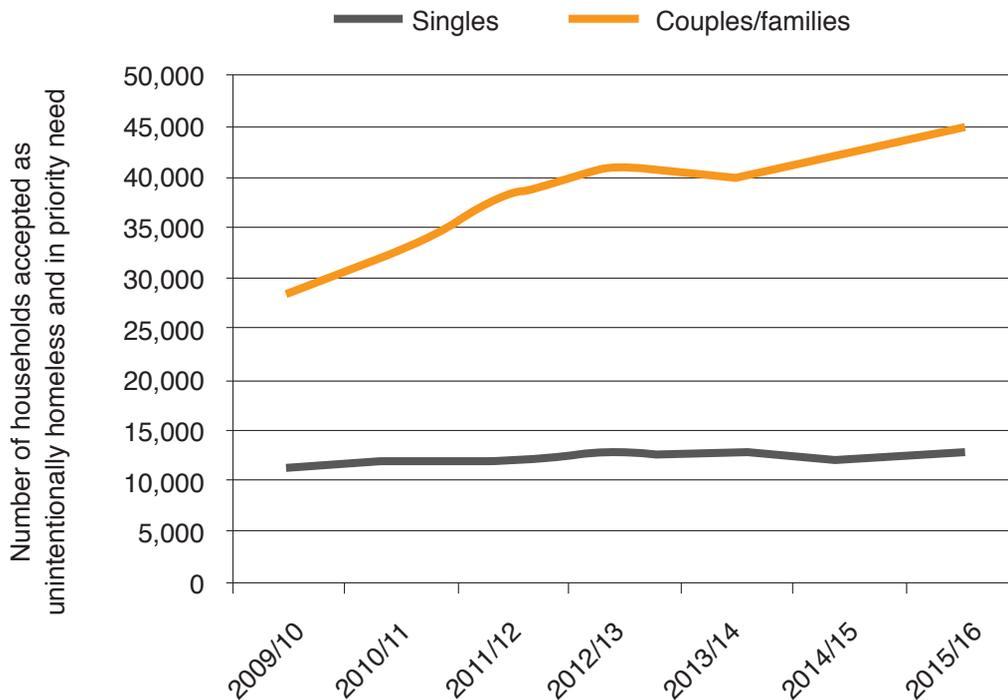
Data on single homelessness incidence and trends are hard to source. ‘Non-priority’

¹⁸⁷ ‘Stock’ cases are those involving rough sleepers enumerated in 2014/15 already logged as such in 2013/14; Flow: rough sleepers enumerated in 2014/15 but never previously seen sleeping rough; Returner: 2014/15 rough sleepers previously logged as rough sleepers before 2013/14, but not in 2013/14.

¹⁸⁸ See <http://100khomes.org>

¹⁸⁹ See <http://www.westminsterhomelessactiontogether.org/about/> and Westminster Homeless Action Together (2016) *Detailed Survey Findings*. <http://www.westminsterhomelessactiontogether.org/about/>

Figure 4.4 Trend in single person households accepted as unintentionally homeless and in priority need, 2009/10-2015/16



Source: DCLG statutory homelessness statistics

cases logged by local authorities provide one possible benchmark, given that most of these are likely to be single people assessed as not having a priority need. Nationally, across England, annual ‘non-priority homeless’ decisions have been running at around 20,000 in recent years with no clear sign of any upward (or downward) trend – see Figure 4.5 in the next section.

England’s homelessness legislation provides scope for certain categories of vulnerable single homeless people to be deemed ‘priority cases’ (see Chapter 3), and the resulting statistics thus providing another possible means of calibrating the issue. Notably, though, the recent trend in single homelessness ‘acceptances’ has been

relatively flat. As shown in Figure 4.4, such cases grew by only 15 per cent in the six years to 2015/16, as compared with the 56 per cent increase seen for families and multi-adult households. Or, to put this another way, almost all of the increase in statutory homelessness seen in recent years has resulted from growing numbers of family (or multi-adult) households.

One possible interpretation of ‘flat’ single homelessness acceptances numbers is that this results from an increased likelihood of being assisted by a local authority ‘informally’. However, this does not appear consistent with the official homelessness prevention and relief statistics (it is understood that ‘homelessness relief’¹⁹⁰

¹⁹⁰ ‘Homelessness relief’ is officially defined as where an authority has been unable to prevent homelessness but helps someone to secure accommodation, even though the authority is under no statutory obligation to do so.

primarily involves single people). These data, as analysed in detail in Section 4.6, indicate that annual ‘homelessness relief’ caseloads actually fell back by 40 per cent in the six years to 2015/16 (from 24,000 to 14,500).

There are two other possible explanations for the relatively stable incidence of single homeless as measured via statutory homelessness records (see Figure 4.4). The first is that the underlying growth in single homelessness has in fact been much lower than among families. However, this is not consistent with the tenor of open text responses by local authorities to the 2016 LA survey, nor with the testimony of our voluntary sector key informants, some of whom reported an increase in demand for single homelessness services:

“...as a consequence of reduction in other areas of social spend over a number of years, whether that’s health or Social Services, probably mainly health... worse mental health issues than we thought, drugs and alcohol increasing. So, I think it’s to do with yearly cuts elsewhere... I think there’s also a consequence from the actual housing market. The South, in particular, in London, there are just less and less places available for people to live in.” (Senior manager, single homelessness service provider, 2016)

The other, more plausible, explanation is that the recorded trend in single homelessness acceptances reflects an increasingly rigorous ‘pre-Hotak’¹⁹¹ interpretation of vulnerability guidelines, implemented alongside a reduced priority placed on informally assisting single homeless people in the context of the resource pressures discussed in Chapter 3. While in last year’s survey few LAs expected the decision in Johnson and the joined cases

to have a major impact on the proportion of single homeless people they accepted as being in priority need, subsequent case law has reinforced this easing of the vulnerability threshold.¹⁹² Of greater significance regarding LA duties towards single homeless people – if enacted – will be the Homelessness Reduction Bill (see Chapter 3).

Also relevant here is that – as indicated by our 2015 local authority survey – LAs reported far greater difficulties in providing ‘meaningful help’ to single homeless people than to families with children.¹⁹³ Similarly, our 2016 survey highlighted the generally much greater challenge faced by Housing Options staff in assisting young single people under 35, as compared with small families or single people aged 35 and over (see Chapter 3 and Appendix 1, Table 5).

The statutory homelessness system thus excludes many single homeless people, for whom there is no comparable integrated dataset, and where information on this group is compiled it is difficult to say how complete or comparable it is or what degree of overlap exists with the statutory numbers. The ongoing DCLG review of homelessness statistics, particularly the prevention and relief statistics, may begin to address this, and again the passage or otherwise of the Homelessness Reduction Bill is also highly relevant.

4.4 Statutory homelessness

Interpreting national trends

The term ‘statutory homelessness’ refers to LA assessments of applicants seeking help with housing due to imminent loss of accommodation or actual ‘rooflessness’, formally dealt with under the homelessness

¹⁹¹ As discussed in detail in Chapter 3, a Supreme Court ruling in May 2015 on the joined cases of Johnson, Kanu and Hotak made significant changes to the “vulnerability” test for those aged over 18.

¹⁹² Peaker, G. (2016) ‘A Compendium of Vulnerability Cases’, *Nearly Legal blog*, 12th September: <https://nearlylegal.co.uk/2016/09/compendium-vulnerability-cases/>

¹⁹³ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2016) *The Homelessness Monitor: England 2016*. London: Crisis/JRF.

provisions of the Housing Act 1996. Historically, the quarterly statistics routinely generated through this system have been treated by government, advocacy interests, academics and the media as the prime measure of homelessness and its changing rate.

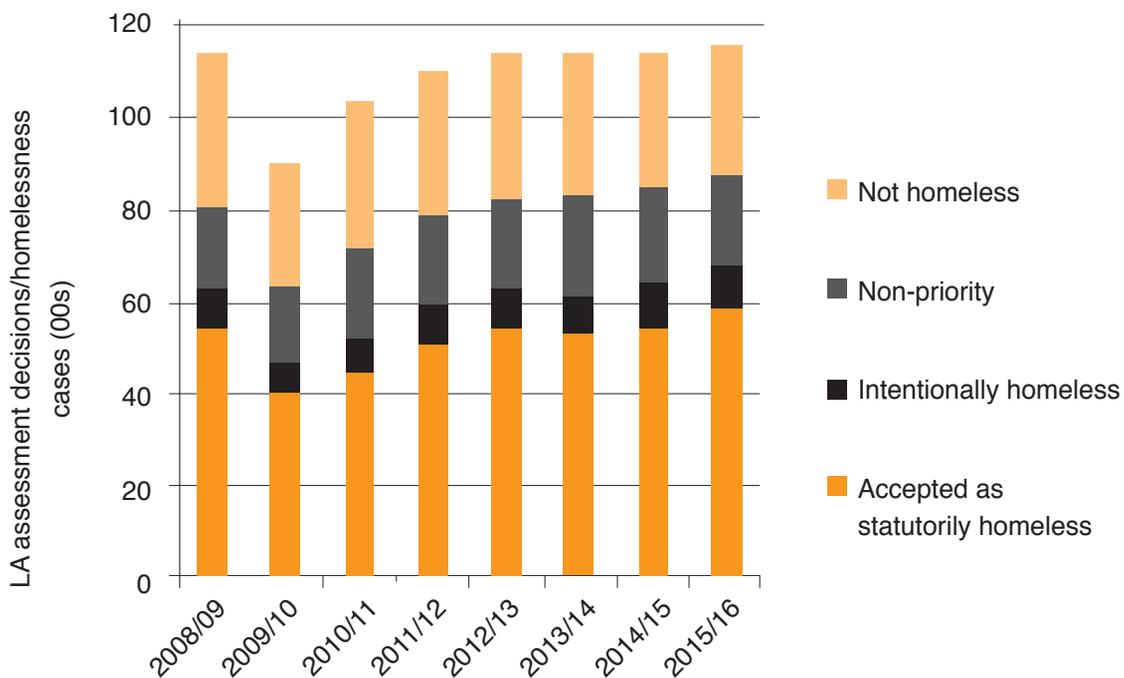
Nationally, the three years to 2012/13 saw a marked expansion in the recorded statutory homelessness caseload, as reflected by the total number of formal LA assessment decisions. As shown in Figure 4.5, these grew from 89,000 in 2009/10 to 113,000 in 2012/13. Similarly, households ‘accepted as homeless’ (formally assessed as unintentionally homeless and in priority need) rose by 34 per cent over this period.

Subsequently, however, the national statutory homelessness caseload largely stabilised. In

2015/16 the total number of formal decisions rose by just 2 per cent to stand at 115,000 – or 29 per cent higher than the 2009/10 low point). However, statutory homelessness acceptances (that sub-group of decisions involving households deemed unintentionally homeless and in priority need) rose 6 per cent in 2015/16 to 57,700 – 44 per cent above their 2009/10 low point).

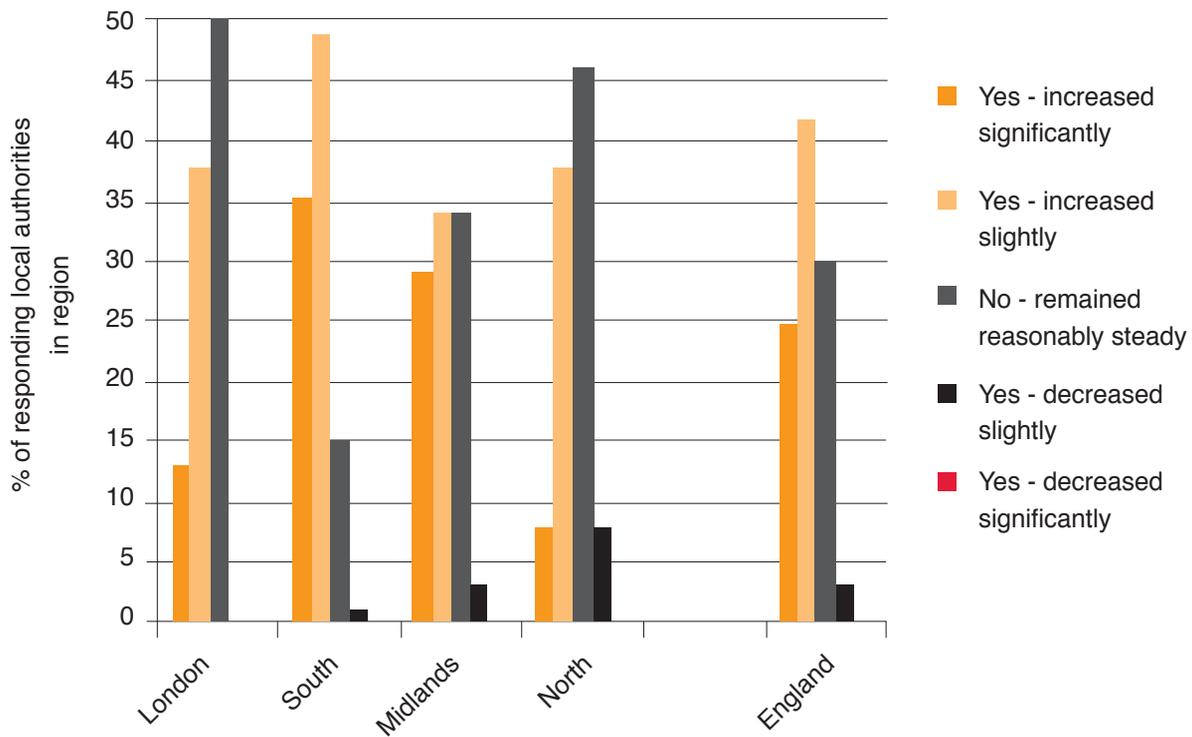
In interpreting such trends, however, it is crucial to factor in changes in administrative practice. Results from the research team’s LA surveys in 2014 and 2015 have confirmed that changes in council procedures around homelessness – adoption of an increasingly pro-active ‘prevention stance’ – have been ongoing. For some this has been associated with the take-up of private sector ‘discharge of duty’ powers (under the Localism Act 2011) which were seen as an additional

Figure 4.5 Statutory homelessness assessment decisions, 2008/09-2015/16



Source: DCLG statutory homelessness statistics

Figure 4.6 Has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year?



Source: Authors survey of local authorities in England (respondents=162)

disincentive for applicants to pursue a claim of homelessness under the statutory framework – see our 2015 report for fuller explanation.¹⁹⁴ This matters because those assisted ‘informally’ go uncounted as far as the statutory homelessness statistics are concerned (albeit that such cases should be captured in the homelessness prevention and relief data reviewed below).

‘Homelessness acceptances’ have thus been rising more quickly than total homelessness decisions. Thus, expressed as a percentage of formally recorded decisions, the 58,000 acceptances logged in 2015/16 accounted for 50 per cent of total logged decisions, whereas the corresponding statistic for

2009/10 was only 45% (see Figure 4.5). On the face of it, this could suggest that local authorities are becoming more ‘permissive’ or lenient in their decision making. In our view, however, this is unlikely. Instead, the probable explanation is that applications involving cases unlikely to result in ‘acceptance’ are increasingly remaining uncounted in the statutory homelessness statistics – see above. This will ‘artificially’ depress the annual number of ‘homelessness decisions’ (historically treated as a proxy for ‘expressed homelessness demand’).¹⁹⁵

Thanks to such developments, we have argued in previous Homelessness Monitors that the statutory homelessness

¹⁹⁴ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis/JRF.

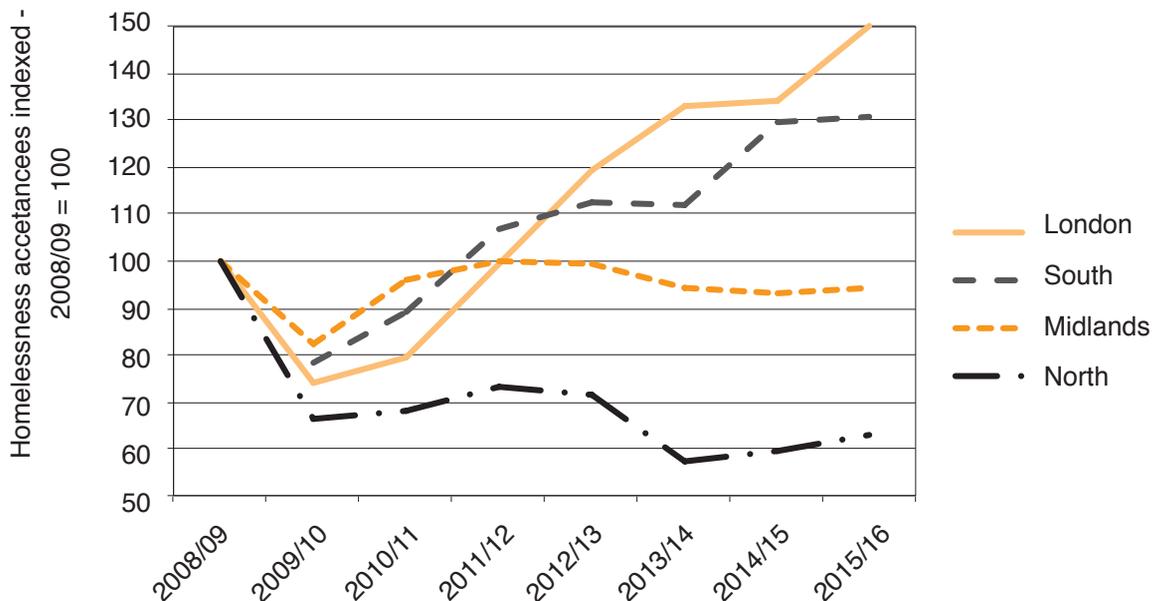
¹⁹⁵ For example, projecting forward the 45% acceptance rate recorded in 2010/11, and factoring in the recorded number of acceptances in 2015/16, the projected total number of decisions would have been 128,000 – not the 115,000 as recorded in local authority statistical returns to DCLG (and reflected in the overall trend graphed in Figure 4.5).

statistics have had a declining value as a reliable indicator of the changing scale of homelessness and the more acute forms of housing need.¹⁹⁶ Our hypothesis is further strengthened by benchmarking official statutory homelessness statistics against the results of our 2016 local authority survey. The DCLG figures for individual local authorities show that¹⁹⁷ the proportion of local authorities recording an increase in statutory homelessness decisions in 2015/16 compared with 2014/15 was 46 per cent. Conversely, 38 per cent of authorities recorded a decrease. As shown in Figure 4.6, however, two thirds of responding authorities (67%) reported that homelessness demand ('people seeking assistance') had increased in 2015/16, with 'significant increases' experienced by a quarter (25%). The 3

per cent (5 authorities) reporting 'slightly decreased' numbers is in sharp contrast with the 38 per cent recording reduced numbers of decisions in DCLG's official statistics.

On the basis of the survey results it appears highly likely that the 2 per cent expansion of 'homelessness expressed demand' in the past year suggested by the official statutory homelessness statistics substantially understates the true increase. The regional pattern of our survey 2016 results here is also revealing, as it suggests that rising homelessness pressures have recently been bearing down most particularly on the South of England and, albeit to a lesser extent, the Midlands (see Appendix 1, Table 2). This contrasts with the comparable analysis in our 2015 survey in which London stood out

Figure 4.7 Homelessness acceptances, 2008/09-2015/16: trends at broad region level – indexed

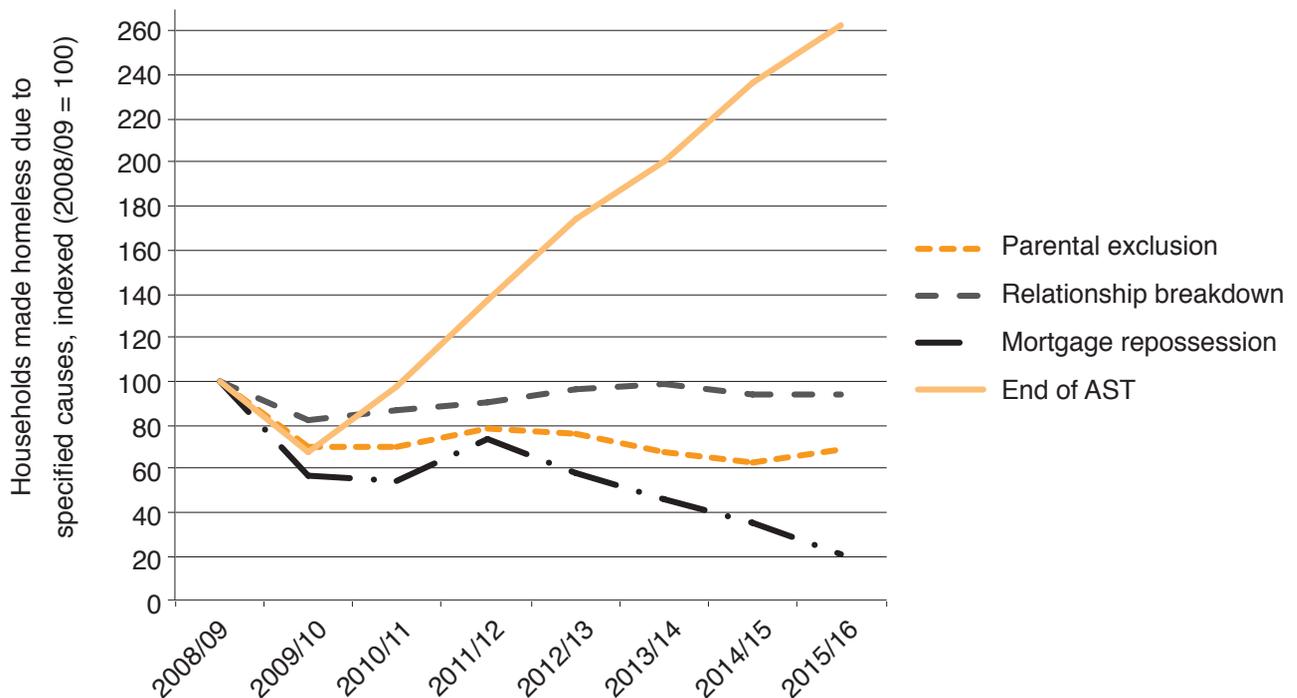


Source: DCLG statutory homelessness statistics

¹⁹⁶ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis/JRF. See also: UKSA (2015) *Assessment of Compliance with the Code of Practice for Official Statistics: Statistics on Homelessness and Rough Sleeping in England*. London: UKSA.

¹⁹⁷ Discounting cases where this year's figures were within 5% of last year's, on de minimis grounds.

Figure 4.8 Change in number of households made homeless due to selected immediate causes, 2008/09-2015/16 – indexed



Source: Collated from DCLG statutory homelessness statistics

from all other regions in this way. This might suggest that some of the extreme pressure that has accumulated in London over recent years has begun to transfer beyond the capital's borders.

Interpreting regional trends in statutory homelessness

While the gross numbers undoubtedly understate the increase in 'homelessness expressed demand' over recent years, data collected via the statutory homelessness monitoring system may nonetheless provide some meaningful indication of regional trends. As shown in Figure 4.7, such patterns have been highly contrasting. The 2015/16 figure for the North of England remained 6 per cent lower than the 2009/10 national lowpoint. For London, however, the latest

figure was more than double (103% higher than) that at the low point of the cycle (see Figure 4.7).

Generally, 2015/16 saw a perpetuation of previous trends, with London and the South diverging further from the Midlands and the North. This pattern suggests housing system factors have been continuing to play an important underlying role, alongside the disproportionate impacts of certain welfare reform measures in London in particular (see Chapter 3).

Interpreting trends in homelessness causes

At nearly 58,000, annual homelessness acceptances were some 18,000 higher across England in 2015/16 than in 2009/10.

The vast bulk of this increase resulted from the sharply rising numbers made homeless from the PRS, with annual losses of Assured Shorthold Tenancies (ASTs) having almost quadrupled over the period – from less than 5,000 to almost 18,000 – see Figure 4.8. As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 per cent to 31 per cent since 2009/10.¹⁹⁸

As emphasized in Figure 4.8, however, the official figures suggest that homelessness attributed to mortgage arrears and repossessions has continued to fall in recent years, and these remain at historically low levels (under 1% of 2015/16 homelessness acceptances). And although social housing rent arrears evictions have been rising sharply (housing association arrears repossessions up by 32% in the past four years),¹⁹⁹ this does not (yet) appear to have fed through into recorded homelessness: the number of arrears-triggered acceptances has remained extremely low (3% of 2015/16 acceptances).

An important qualification should, however, be borne in mind here. The statutory homelessness statistics present only an element of the overall story, and that this partial picture has recently been further restricted through changing local authority administrative practice (see above). Another potentially significant instance of the statistical distortions which may result from this system is the understatement of rent arrears as a cause of homelessness. This is because loss of accommodation due to arrears can be deemed by local authorities as ‘intentional homelessness’. Hence, lacking entitlement to the full rehousing duty, the households concerned will be excluded from the ‘acceptances’ statistics and the associated ‘reason for homelessness’

breakdown. This observation highlights the problematic restriction of detailed data collection to homelessness acceptances – the failure to encompass other logged applicants. Another issue will be the use of the ‘no fault’ Section 21 accelerated procedure by private landlords to terminate the tenancies of those with rent arrears, which will then be recorded as end of an AST.

The 2016 LA survey is instructive in terms of the explanations for recently rising homelessness. Most commonly, respondents referred to growing pressure on private rental markets. In many instances this was linked with welfare reforms which have exacerbated the vulnerability of low income renters or which have made landlords less inclined to let to benefit recipient households. These issues were given a particularly high profile by local authorities in the South:²⁰⁰

“Termination of AST is by far the highest reason for approach. The PRS... is now almost entirely out of LHA range.” (LA respondent, the South, 2016)

“Unaffordable private rented sector, homeless prevention is very difficult when LHA levels which were frozen some years ago bear no resemblance to rent levels obtained by landlords.” (LA respondent, the South, 2016)

“There has been a significant increase in the rates chargeable for properties in the private rented sector leading to an increase in the serving of notices by landlords to remove tenants and maximise income by acquiring professional tenants.” (LA respondent, London)

“It is hard for households on low income to secure new ASTs in the private sector”

¹⁹⁸ DCLG Live Table 774. See <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

¹⁹⁹ See Table 21 in Homes and Communities Agency (2016) *Private Registered Provider Social Housing Stock in England: Statistical data return 2015/16*. London: HCA.

²⁰⁰ See also Jones, M. et al (2017 forthcoming) *Poverty, Evictions and Forced Moves*. York: JRF.

due to the high rents in the area – i.e. on average £250 pcm more than LHA.”
(LA respondent, the South, 2016)

Another theme across the country was a growing shortage of accommodation and support options for homeless people with more complex needs, which as noted above, may also be linked to reported rises in rough sleeping and single homelessness (see Chapter 3 and Appendix 1, Table 6):

“Due to the end of Supporting People funding which has resulted in the closure of supported accommodation and the end of floating support, we have seen an increase in clients approaching as homeless and in need of emergency accommodation.” (LA respondent, the Midlands, 2016)

“Also a large increase in clients approaching with complex issues such as mental health, dual diagnosis etc due to funding cuts in that sector. This has resulted in clients being forced down the route of general needs which is detrimental to the client.” (LA respondent, the South, 2016)

“Many people are returning to the service after their accommodation has failed, this is particularly the case in supported accommodation.” (LA respondent, the South, 2016)

“Impact of closure of services for single people with complex needs e.g. supported accommodation.” (LA respondent, the North, 2016)

Homeless households in temporary accommodation

Since bottoming out in 2010/11, homeless

placements in temporary accommodation (TA) have risen sharply, with the overall national total rising by 9 per cent in the year to 30 June 2016 to reach 73,000 – up by 52 per cent from its low point five years earlier. Indeed, since the start of 2015, the annual rate of increase has been running at higher levels than was true for the 2012-2014 period. London accounts for around three-quarters of the total number of TA placements at any one point in time (53,000 as at 30th June 2016), growing at an annual rate of around 9 per cent over the past four years.

The bulk of TA placements are in self-contained housing (both publicly and privately owned). However, although accounting for only 9 per cent of the national TA total as at 30 June 2016, B&B placements rose sharply in the most recent year. Totalling 6,520, the number of placements was 16 per cent higher than a year previously and almost 250 per cent higher than in 2009.

Signs of stress are also evident in the growing proportion of TA placements beyond local authority boundaries. As at 30 June 2016 these accounted for 20,660 placements – 28 per cent of the national total, up from only 11 per cent in 2010/11.²⁰¹ Such arrangements mainly involve London boroughs. Since they are liable to result in social disruption and possible disconnection from employment, schooling, social work or other support services, their rising incidence gives cause for concern.²⁰² Associated concerns were heightened by the evidence that in only a minority of instances have ‘placing authorities’ been properly notifying ‘receiving authorities’.²⁰³ Cross-boundary placements create difficulties for ‘receiving authorities’ in meeting their own homelessness demands. This is especially for councils in the Midlands and the South who may face competition

²⁰¹ DCLG (2015) *Statutory Homelessness: April to June Quarter 2015 England*. London: DCLG.

²⁰² Butler, P. (2016) ‘Councils forcing homeless families to relocate miles away’, *The Guardian*, 22nd May: <https://www.theguardian.com/society/2016/may/22/councils-forcing-homeless-families-to-relocate-miles-away>

²⁰³ Douglas, D. (2015) ‘Councils’ out of area placements breaking the law’, *Inside Housing*, 23rd April: <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/councils-out-of-area-placements-breaking-the-law/7009398.article>

from London Boroughs willing to offer significant incentives to private landlords to accommodate their homeless households, as was noted by several local authorities responding to the 2016 survey. An advice note published by London Councils sets out the approach that should be taken by Boroughs on when placing of homeless households outside of London, including notifying the receiving authority, not outbidding what the receiving authority could reasonably pay, and avoiding placing families with vulnerable children outside of the capital insofar as possible.²⁰⁴ Recent case law has increased the requirements on London boroughs to fully justify out of borough placements and to evidence thorough investigations on the implications of the move on the tenant.²⁰⁵

Another specific concern in relation to the use of temporary accommodation is the incidence of B&B hotel placements involving children. At the end of Q2 2016 such placements numbered 3,390 – up 27 per cent on the figure one year earlier, and 358 per cent on the 740 recorded in Q2 2010. More specific still, are the concerns relating to B&B placements involving children and where the placement has exceeded six weeks. The 1,140 such cases at the end of Q2 2016 represented an annual increase of 30 per cent, with this latest figure being over 600 per cent higher than the 160 recorded in Q2 2010.

4.5 Local authority homelessness prevention and relief

Prevention and relief activity: the big picture

As officially defined, ‘homelessness prevention’ means:

“providing people with the ways and means to address their housing and other needs to avoid homelessness”.

As an allied form of non-statutory assistance, ‘homelessness relief’ is defined as:

“where an authority has been unable to prevent homelessness but helps someone to secure accommodation...”²⁰⁶

LA staff testimony confirms that recent years have seen an ongoing trend towards a primarily non-statutory approach to homelessness whereby a growing proportion of cases are handled through informal advice and assistance rather than through a formal ‘Part VII assessment’. In 2015/16 the former outnumbered statutory homelessness acceptances by almost four to one (see Figure 4.9).

Nevertheless, Figure 4.9 indicates that, for the second successive year, the quantum of prevention activity declined slightly in 2015/16. This might possibly be interpreted as indicating a decline in overall homelessness expressed demand. However, bearing in mind our survey responses on changing Housing Options Service ‘footfall’ (see Figure 4.6 and Appendix 1, Table 2) suggest this is highly unlikely.

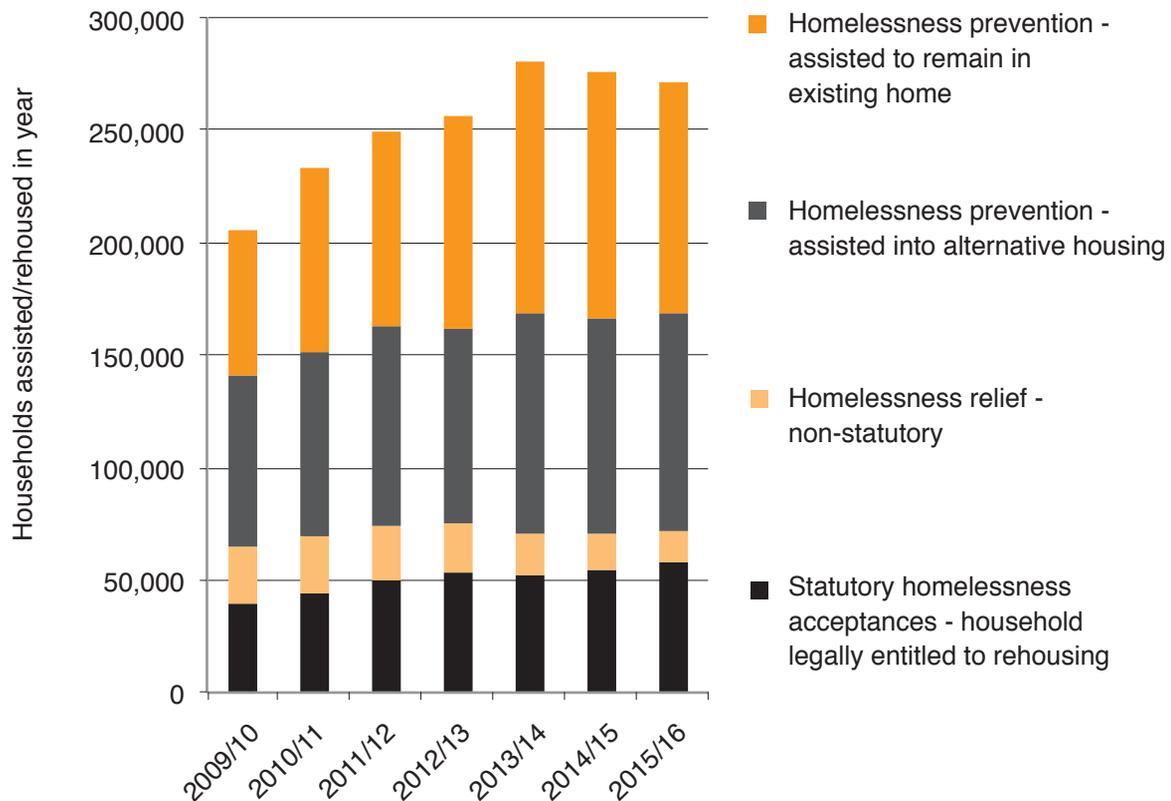
While preferable to an exclusive focus on statutory homelessness decisions, the prevention and relief numbers remain an imperfect index of total expressed demand. This should not be surprising since these figures are fundamentally a (service) supply measure rather than a demand indicator. This means that like, say, hostel occupancy statistics as a measure of single homelessness, such figures are subject to capacity constraints.

²⁰⁴ London Councils (2014) *Advice Note on the Placement of Homeless Households Outside of London*. <http://www.londoncouncils.gov.uk/node/5295>

²⁰⁵ *Nzolameso v Westminster City Council* [2015] UKSC 22

²⁰⁶ DCLG (2013) *Homelessness Data – notes and definitions*. <https://www.gov.uk/homelessness-data-notes-and-definitions>

Figure 4.9 Overview of local authority action to assist homeless (and potentially homeless) households, 2009/10-2015/16



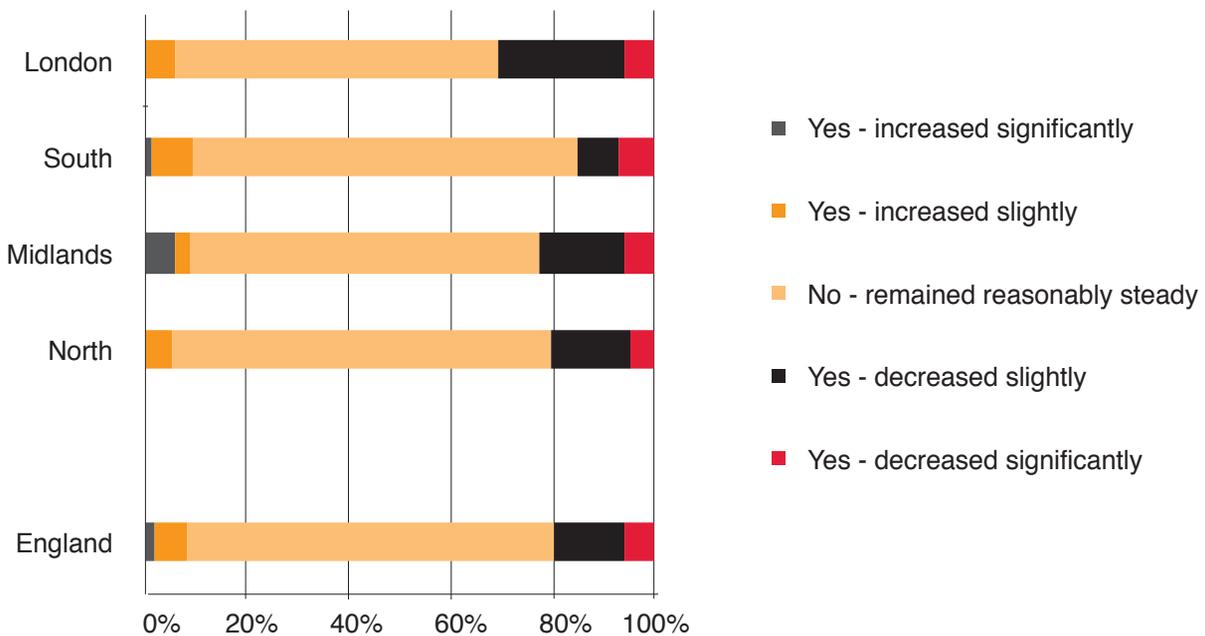
Sources: DCLG

Relevant to the question of ‘service capacity’ is service resources. Local authorities have, of course, been coping with intensifying financial pressures since 2010 (see Chapter 3). However, during the 2010-2015 period the former Coalition Government stood by initial commitments that its specific homelessness services funding would be shielded from spending cuts, and this stance has been sustained under the post-2015 Conservative Governments.

How has the combination of these above factors recently impacted on homelessness services? As shown in Figure 4.10,

current year funding for Housing Options/homelessness services has in most authorities remained steady. However, where change has occurred, the balance of responses suggests resources have once again tended to be cut back this year rather than increased. While nearly three quarters of responding authorities reported that the current year’s budget was ‘similar’ to that in 2015/16, only 8 per cent had seen increases while a fifth had seen cuts (see Appendix 1, Table 7). For the 32 authorities subject to such reductions these were typically in the range 10-20 per cent. Referring back to our 2015 LA survey we can say that this is

Figure 4.10 Question to LA survey respondents: Has the staffing budget and other revenue resources for your Housing Options/ homelessness service changed over the past year?



Source: Local authority online survey 2016 (N=162)

the second successive year that the overall balance of housing options service funding has been towards resource cutbacks.

Bearing in mind all of the above it seems likely that funding constraints have started to limit local authorities' homelessness service capacity, particularly with respect to the 'non-statutory' relief and prevention duties. This may help to explaining the fact that homelessness demand is perceived to have continued to grow, while service caseloads have slightly fallen back.

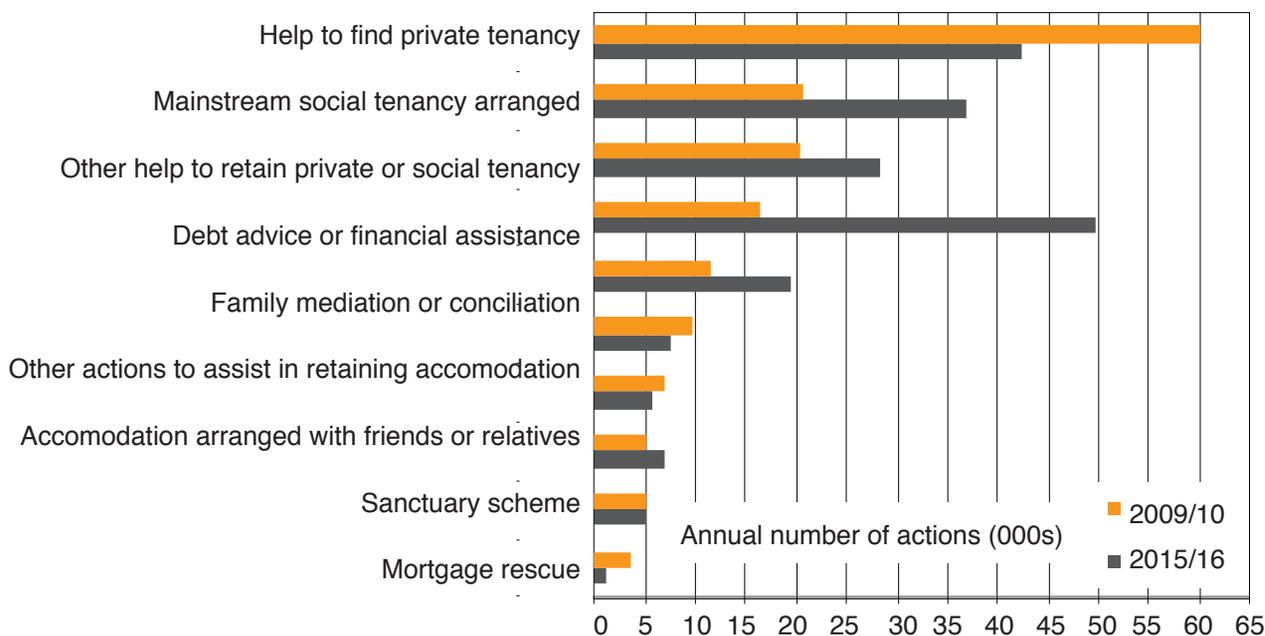
The nature of LA homelessness prevention and relief work

Limited as they are, the data on 'successful' prevention actions does provide an indication of the balance of activities, which

has tended to shift towards helping service users to *retain existing accommodation* rather than to *obtain new housing*. As shown in Figure 4.11, assisting people in accessing private tenancies is no longer the largest single form of prevention activity. Since 2009/10 the annual volume of such cases has dropped by 30 per cent. This trend probably reflects both the state of the housing market and the Housing Benefit reforms which – by restricting entitlements – will have made it more difficult to secure private tenancies for many categories of applicant (see quotations above).

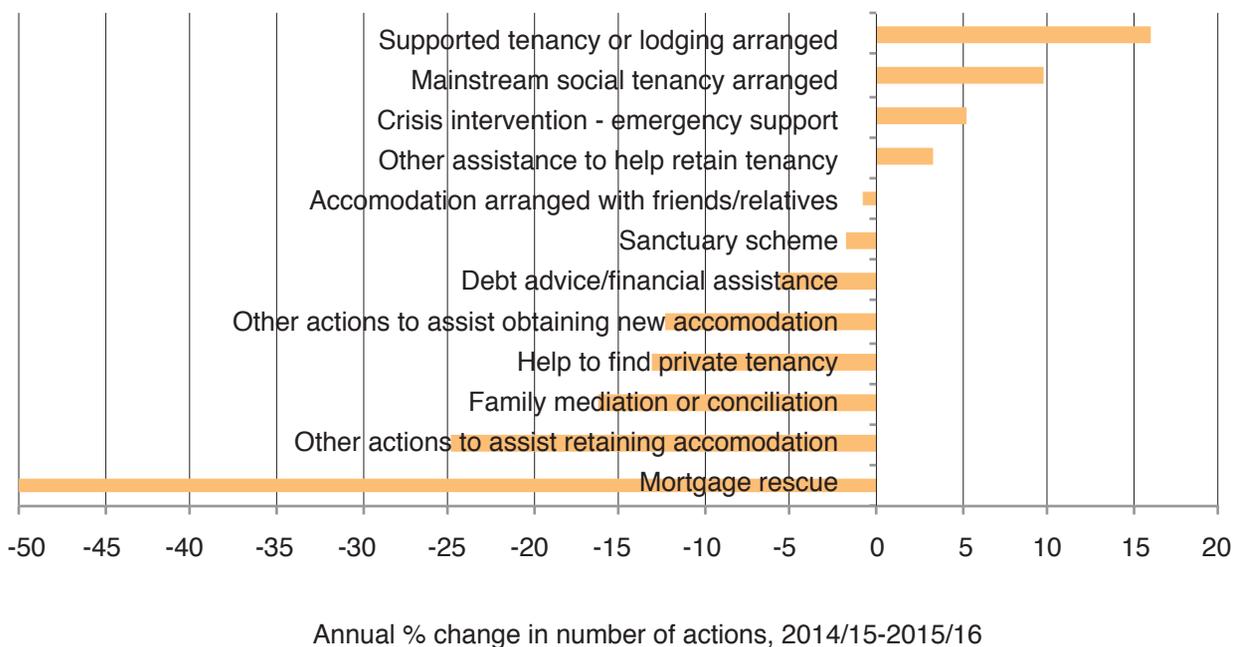
Looked at in a longer term perspective, the most striking homelessness prevention 'growth activity' has involved debt advice and financial assistance which, in 2015/16,

Figure 4.11 Local authority homelessness prevention and relief activity, 2009/10-2015/16



Source: Derived from DCLG Homelessness Prevention and Relief statistics

Figure 4.12 Local authority homelessness prevention activity, 2014/15-2015/16: change over time



Source: Derived from DCLG Homelessness Prevention and Relief statistics

accounted for almost 50,000 prevention instances – up from only 16,000 in 2009/10 (see Figure 4.11). This would seem highly consistent with the impacts of ‘welfare reform’ on those in precarious housing circumstances (see Chapter 3).

Recent changes in the frequency of different forms of prevention work are illustrated in Figure 4.12. Immediately apparent here is the general tendency towards declining activity seen over the past year. For example, notwithstanding its longer term growth trajectory (see above), the number of debt advice and financial assistance casework episodes logged in 2015/16 was down 6 per cent on its 2014/15 peak. The recent downward trend in most forms of prevention activity is an important contextual consideration with respect to the potential impact of the Homelessness Reduction Bill discussed in Chapter 3.

4.6 Hidden homelessness

People may be in a similar housing situation to those who apply to LAs as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a LA or applying to other homelessness agencies. Such people are often referred to as ‘hidden homeless’ (see Chapter 1). A number of large-scale/ household surveys enable us to measure some particular categories of potential hidden homelessness: *concealed households*; households who are *sharing* accommodation; and *overcrowded* households.

Concealed households

Concealed households are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. The English Housing Survey (EHS), Understanding Society Survey (USS) and the Labour Force Survey (LFS)²⁰⁷ ask questions about the composition of the household which enable the presence of ‘additional family/single units’ to be identified.²⁰⁸

In 2016, there were about 4.76 million households (21.1% of all households) which contained additional family units, based on the LFS. Of these, 288,000 (1.3%) were cases of couples or lone parent families living with other households, while 1.54 million (6.6%) were cases of unrelated one person units (i.e. excluding never married children of the main householder) and 3.17 million (14.0%) were cases of non-dependent adult children living in the parental household, as shown in Figure 4.13.

Whereas concealed families are spread across all tenures, unrelated single units were much more prevalent in private renting (including students and young people living in ‘flatshares’), while the proportions with non-dependent children were higher in social renting and in owner occupation. Households with non-dependent children are fairly evenly distributed across regions, but unrelated singles and concealed couples/families are much more prevalent in London (15.6% of all households, double the national rate).

EHS data suggest that the proportion of concealed households remained relatively

²⁰⁷ The main advantage of the EHS is that it is a housing-oriented survey, which asks other related questions, in some cases only in particular years. Its disadvantages include having a smaller sample and rather less complete information about the adults who are not the core household members. The LFS is up-to-date and has a large sample and good questions about household structures, but less detail about housing, including little in the way of attitudinal information.

²⁰⁸ These surveys only approximate to the ideal definition of ‘concealed households’, as they do not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. However, both EHS and USS do enable single adults wishing or expecting to live separately to be identified. Moreover, they may not fully capture all concealed households reliably. For example people staying temporarily and informally with others may not be recorded in household surveys (like EHS) nor respond to individual surveys (like LFS).

Figure 4.13 Households containing potentially concealed households by tenure, England 2016



Source: Labour Force Survey, Quarter 2 2016

stable overall between 2008-09 and 2013/14. Additional family/unrelated singles units are more noticeable in larger urban areas, particularly in London, as well as in more deprived neighbourhoods. There is a similar association with low total income and with individual household poverty: households with less than 60 per cent of median income (adjusted for household composition, and after housing costs) had a prevalence of 8.0 per cent containing concealed singles/families versus 4.4 per cent of non-poor households containing concealed singles/families (excluding non-dependent children) in 2013-14, even though such households alleviate their poverty by living together. Whereas only 4.6 per cent of White-headed households had additional single or family units (again, excluding nondependent children), this rose to 14.3 per cent for Asian-headed households, and 6.9 per cent for households headed by individuals from ethnic groups other than White, Black or

Asian. It is also noticeable that the proportion of concealed singles/families is rising over time (between 2008-09 and 2013-14) among poorer households, in urban areas/London, and among Asian-headed households.

The proportion of households with non-dependent children has been relatively static at around 15 per cent (EHS) or 13.5 per cent (LFS) since 2008. However, this understates the significance of the rise in both number (0.6 million) and share (27% vs 21%) of 20-34 year olds living with their parents between 1996 and 2013,²⁰⁹ given that in this period the population in that age group has been static or falling, whereas the total population and household numbers have been growing. This group are only slightly more prevalent in deprived neighbourhoods or among low income households, although they are more common among Asian (33%) and Black (23%) as against White (15%) households (based on EHS 2013-14). Again, this greater

209 ONS (2014) *Large Increase in 20 to 34 Year Olds Living with Parents Since 1996*. <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html>.

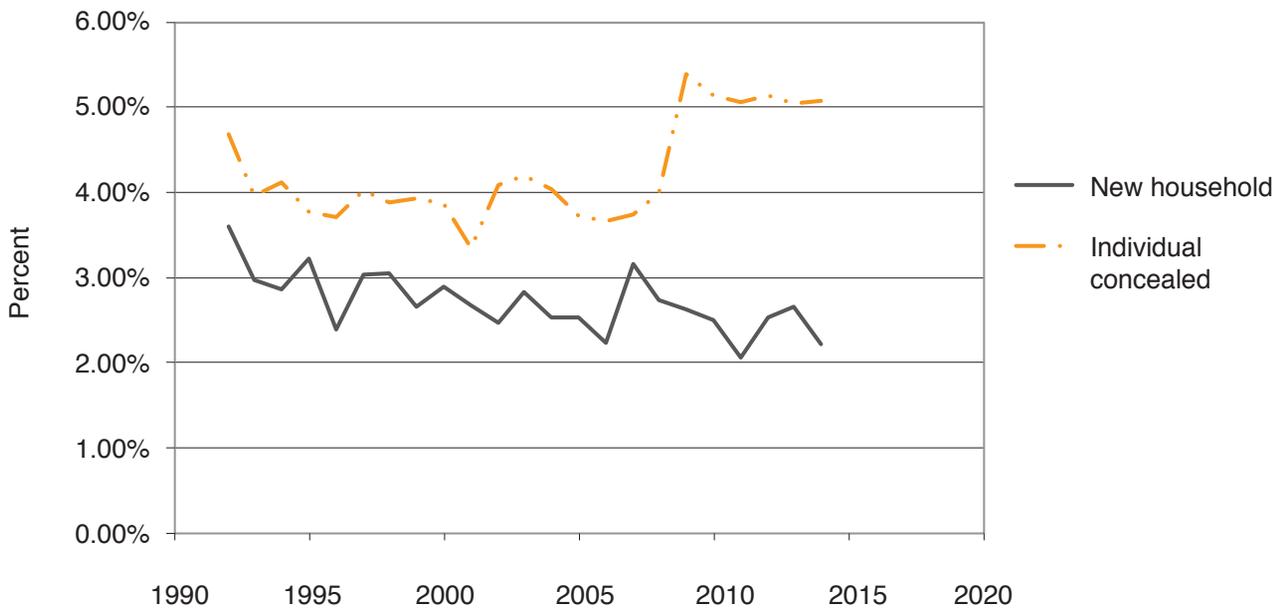
prevalence among these two major ethnic minority groupings has increased since 2008.

The EHS asks a question, where such individuals (related or unrelated) are present in a household, as to why this person is living there. Overall, answers implying a preference or intention to move, albeit constrained, or some uncertainty, account for 50 per cent of cases, up from 40 per cent in 2008/09. Overall, this evidence (i.e. combining the LFS numbers with EHS-based ‘preferences’) suggests that there were 2.27 million households containing concealed single persons in England in early 2016, in addition to 288,000 concealed couples and lone parents. We estimate that the number of adults in these concealed household units amounts to 3.34 million. These numbers

represent broad stability alongside the estimates presented in recent Monitors but a rise of 33 per cent since 2008.

Figure 4.14 looks at the proportion of concealed single person households (the main area of interest and change) over time since 1991 compared with the rate of formation of new households each year. This chart uses data from an analysis of the longitudinal surveys, the British Household Panel Survey and the new USS, as well as EHS. Although there is some fluctuation from year to year (partly reflecting sampling error), there is evidence of a general downward trend in household formation from 1991 to 2014. As we would expect, the proportion of concealed single households²¹⁰ represents something of a mirror image of the new

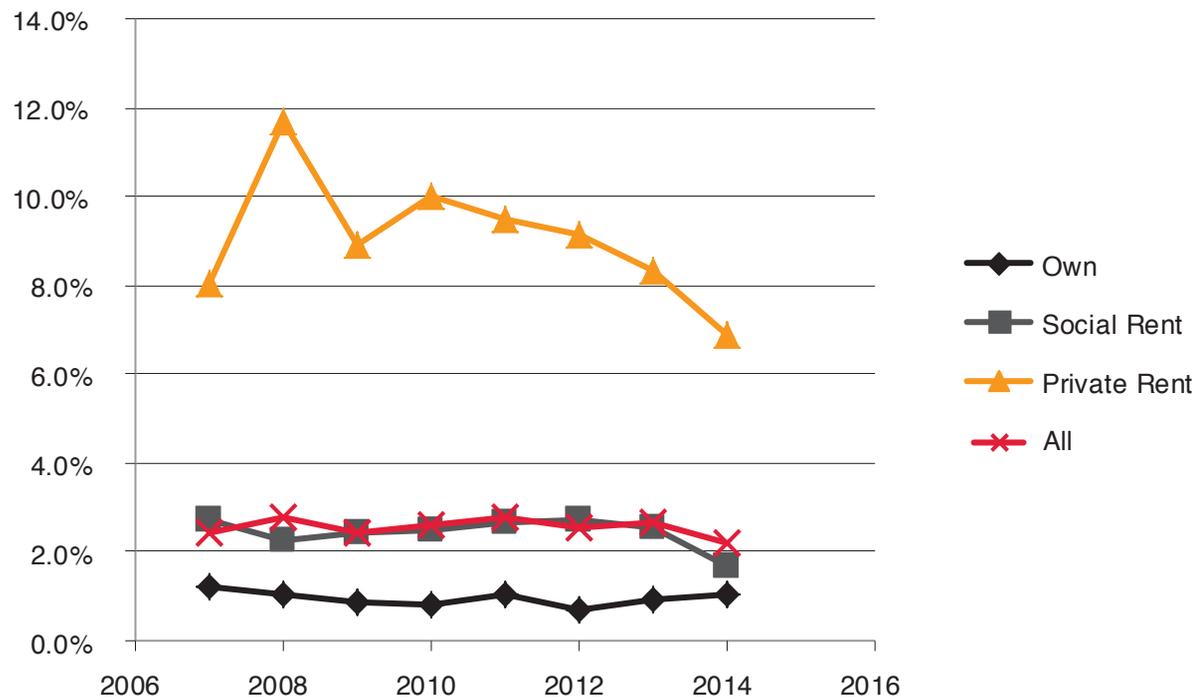
Figure 4.14 New household forming rate and individual concealed households, England 1991-2014



Sources: British Household Panel Survey 1992-2008; Understanding Society 2009-14; English Housing Survey 2009-14.

210 This measure only counts those who would prefer to move.

Figure 4.15: New household formation rates by tenure, England 2007-14 (% of households in each tenure)



Source: English Housing Survey.

households line, with a notable rise after 2007, persisting through to 2014.

Figure 4.14 shows that individuals living with others, when they would really prefer to live independently, increased markedly after 2008, and this was associated with a fall in new household formation.

As was documented in the last edition of the Monitor, being a concealed household can be quite a persistent state. A majority of concealed households have been in this position for at least a year, with a third or more in it for two-plus years, and these proportions increasing following the economic recession.²¹¹

The EHS also showed a fall in new household formation in 2008 and 2009, with some recovery appearing in 2010, but then a further drop in 2014. In last year's Monitor we drew attention to the role of private rented lettings in enabling household formation post-2010, while the number of new households buying or renting social homes had fallen sharply from levels of the mid-2000s with only partial recovery by 2013. Figure 4.16 shows that the most recent trend is for moves by new households into both private and social renting to fall markedly, while moves into home ownership have increased slightly. It is possible that Buy to Let may have passed its peak, partly owing to tax and regulatory changes (see Chapter 2), while

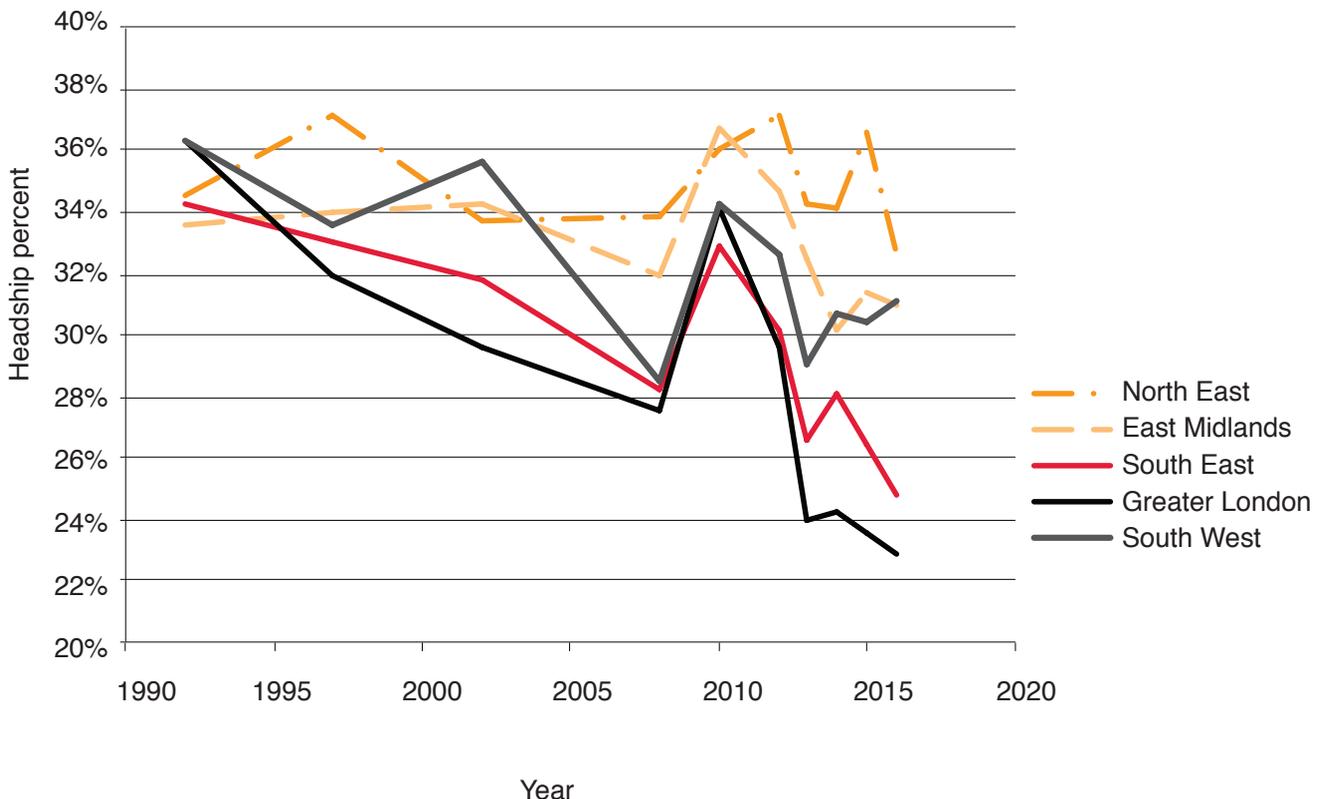
²¹¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2016) *The Homelessness Monitor: England 2016*. London: Crisis/JRF.

turnover in the PRS is also down as more tenants stay for longer, being unable to buy. At the same time social sector lettings are also declining, partly for similar reasons (see also Chapter 2). These factors constraining accessible supply appear to be contributing to decreased or delayed household formation, but they may also be a causal factor increasing overt as well as hidden homelessness.

Another indirect indicator of concealed households is (reduced) household 'headship'. The propensity of individuals within given age groups to form ('head') separate households is a conventional way of measuring household formation. Figure 4.16 illustrates rates for younger adults for selected regions facing very different economic and housing market conditions.

For the North East, where housing pressure was least, the proportion of 20-29 year olds heading households fluctuated somewhat around 35 per cent, but ended at a similar level in 2015 as in 1992. In the East Midlands and the South West, rates started at a similar level but fell to about 31 per cent at the end of the period. In the South East and London, rates falls from 1992 to 2008, then blipped upwards in 2010 before falling back sharply after 2011, to end significantly lower at the end of the period (23-25% vs 34-36%, comparing 2016 with 1992). We would expect to see such differences, reflecting different levels of housing market pressure. The upward blip in 2010 may reflect the availability of private rental lettings. Data from the EHS is broadly consistent This is consistent with a picture of a tight housing market and also of worsening real income/

Figure 4.16 Headship rates for 20-29 year olds, selected English Regions 1992-2016



Source: Labour Force Survey.

living standards among younger working age people in this period.²¹²

In this discussion we have suggested that the changes and patterns found with concealed households and household headship rates reflect economic and housing market conditions, which differ markedly between regions and localities. This interpretation is supported by a recent study which uses econometric modelling to predict these variables within the longitudinal British Household Panel Survey, as mentioned in the 2016 Monitor.²¹³

Households sharing accommodation

‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. Sharing can be similar considered similar to concealed households, namely an arrangement people make when there is not enough affordable separate accommodation. For example, some ‘flatsharers’ will be recorded as concealed households, and some will be recorded as sharing households, depending on the room sizes and descriptions. That said, shared accommodation may be desired or appropriate for certain groups in the population, including some single young people. Innovative models of ‘managed’ sharing are evolving in a context where welfare cuts and housing pressures are making it likely that sharing will become more ‘normalised’ well into adulthood,²¹⁴ albeit that access to this form of accommodation is very challenging in many parts of the country (see Chapter 2), and inappropriate for some vulnerable young people and those with challenging behaviour in particular.

According to the LFS, 1.45 per cent of households in England shared in 2016. Sharing was most common for single person households (3.1%), but was also found amongst couples (2.0%), and lone parent households (1.6%) (see Figure 4.17). Sharing is particularly concentrated in private renting (4.5%), but is not unknown in the social rented sector (1.5%) and even in the owner occupier sector (0.5%). It is much more prevalent (and growing) in London (5.1%), as one would expect, and the next highest regions are the North West (1.4%) and South East (1.1%). Sharing is particularly rare in the North East and East of England (less than 0.1%).

Sharing has seen a long-term decline, which may reflect improving housing availability over the past several decades, but also probably changes in the PRS and its regulation. The trajectory of sharing over time is shown in Figure 4.18 below. This showed a pronounced decline in the 1990s and a slight further decline in the early/mid 2000s, followed by an apparent increase from 2008 to 2010, a sharp drop from 2010 to 2012, and a bounce back up in 2014-15. The increase from 2008 may appear to evidence the impact of constrained access to housing following the 2007 credit crunch and the subsequent recession. However, the further pronounced decline between 2010 and 2012 may have reflected the expansion of private renting, but also definitional issues.

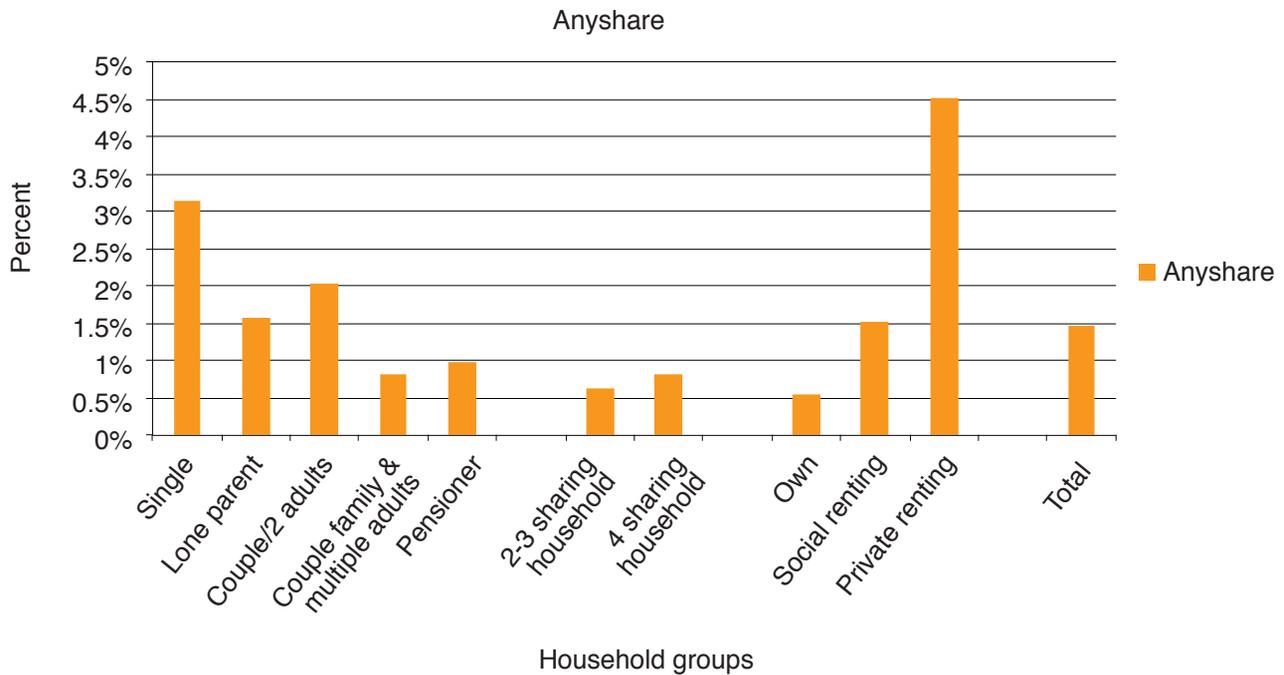
The EHS has a smaller sample and may have slightly poorer response from groups like sharers, as well as detailed differences in the definition of sharing. This survey also shows a decline, from 1.48 per cent in the period 2008-09 to 0.53 per cent in 2010-12, and

²¹² Gordon, D., Mack, M., Lansley, S., Main, G., Nandy, S., Patsios, D., Pomati M. & the PSE team from the University of Bristol, Heriot-Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen’s University Belfast, University of Glasgow and University of York (2013) *The Impoverishment of the UK. PSE First Results. Living Standards*. http://www.poverty.ac.uk/sites/default/files/attachments/The_Impoverishment_of_the_UK_PSE_UK_first_results_summary_report_March_28.pdf

²¹³ Bramley, G. & Watkins, D. (2016) Housing need outcomes in England through changing times: demographic, market and policy drivers of change, *Housing Studies*, 31(3), 243-268. DOI: 10.1080/02673037.2a015.1080817

²¹⁴ For example, Crisis’ Sharing Solutions Schemes. See <http://www.crisis.org.uk/pages/sharing-solutions-schemes.html> and Thames Reach’s Peer Landlords Scheme (<http://www.commonwealhousing.org.uk/our-projects/peer-landlord-london>).

Figure 4.17 Sharing by household type and tenure, England, 2016



Source: Labour Force Survey, Q2 2015.

then back up to 0.51 per cent in 2013-13. While there clearly remains some uncertainty about these numbers, the common finding between the two sources is that the decline in sharing has probably bottomed out.

One reason to expect some continued increase in sharing is the extension of the SAR to 25-34 year olds (see Chapter 3). But given the acute demand pressures on a limited supply of shared accommodation in many areas (see Chapter 2), many of the additional people affected by the SAR are becoming 'concealed households' rather than sharing households. Some of the increase

in concealed households may be actually a mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

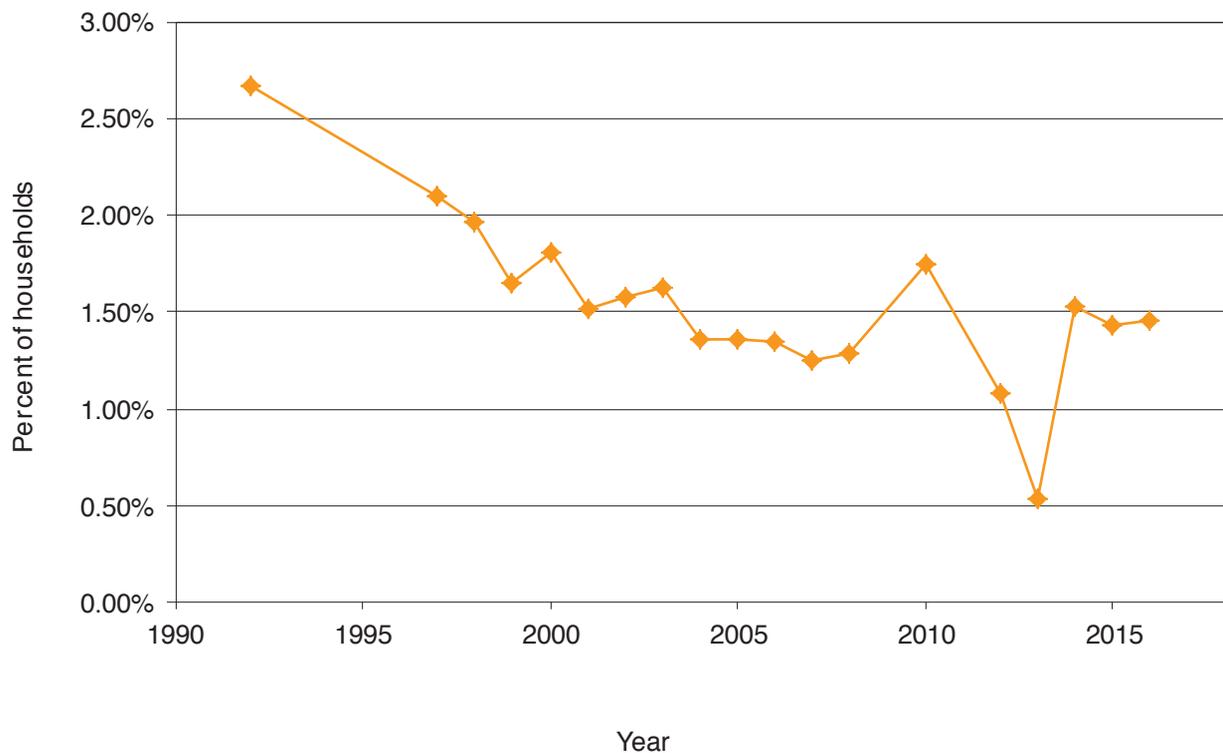
Overcrowding

Figure 4.19 summarises trends in overcrowding by tenure in England between 1995 and 2014²¹⁵, based on the 'bedroom standard'.²¹⁶ Overcrowding actually increased to quite a pronounced extent from 2003 to 2009, from 2.4 per cent to 3.0 per cent of all households, reversing previous declining trends, although there was a slight decline in 2010, with a slight further increase in 2013.

²¹⁵ DCLG prefer to present this indicator based on a 3 year rolling average, which we do also except for the last two years, which are based on two-year averages.

²¹⁶ This is the most widely used official standard for overcrowding. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

Figure 4.18 Sharing households in England 1992-2016 (%)



Source: Labour Force Survey

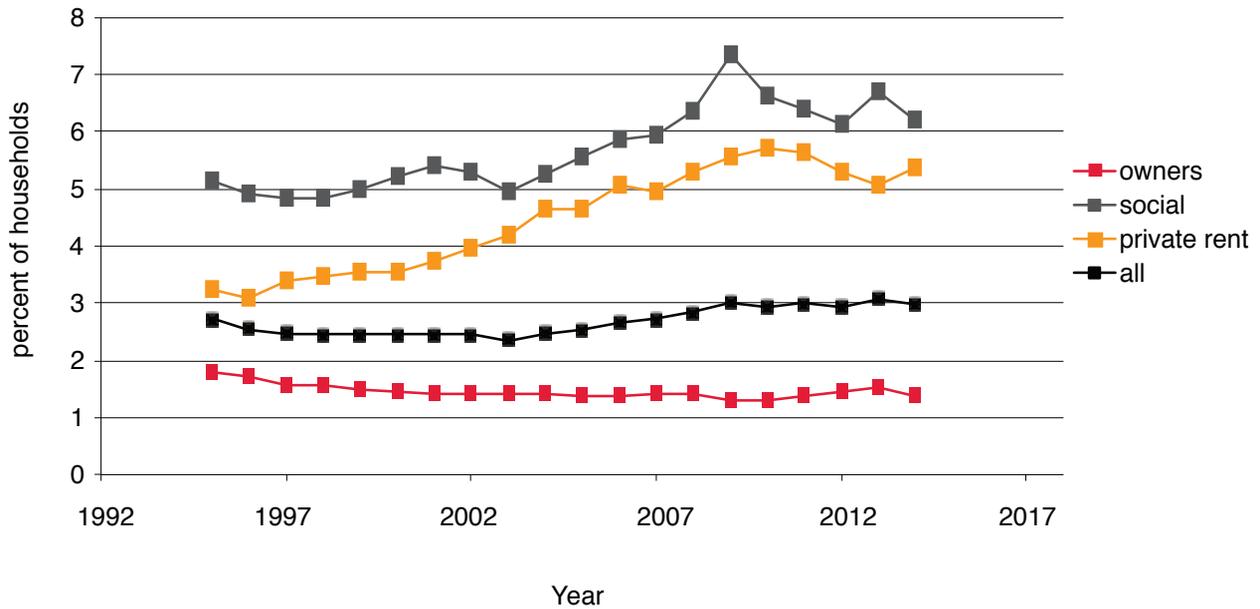
Broadly one could describe overcrowding as having plateaued since 2009. On the most recent figures, 672,000 households (3.0%) were overcrowded in England. Overcrowding is less common in owner occupation (1.4%) and much more common in social renting (6.2%) and private renting (5.4%). The upward trend in overcrowding was primarily associated with the two rental tenures, although there was some improvement in social renting in 2010-12 and in private renting in 2011-13, although this appears to have worsened again in 2014.

As with the other housing pressure indicators considered here, there is a much higher incidence in London (across

all tenures), with a rate of 7.2 per cent in 2013/14. The next worst region for overcrowding is the West Midlands (2.9%), followed by the South East (2.6%). There are no very strong trends in recent regional rates of overcrowding, although there has been a slight fall in London as well as Yorkshire & Humber, and a rise in the South East.

Overcrowding can be quite a persistent experience for the households affected. As reported in the last edition of the Monitor,²¹⁷ analysis of the longitudinal surveys shows that a majority of overcrowded households in a particular year had been overcrowded the previous year, with many crowded for at least two years. Econometric modeling

Figure 4.19 Overcrowding by tenure in England 1995-2014 (%)



Source: Survey of English Housing/English Housing Survey
 Note: all based on 3-year average except 2013 and 2014 (2 year average)

of overcrowding showed that this was clearly related to housing market conditions, employment, and poverty as well as demographic factors.²¹⁸

sleeping rough has masked an ongoing increase in rough sleeping involving UK nationals (up by 6% in Q2 2016/17 compared with the same quarter a year earlier).

4.7 Key points

- An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2016, with the national total up by 132 per cent since 2010. Statistics routinely collected by the ‘CHAIN’ system similarly show London rough sleeping having more than doubled since 2010. A recent sharp contraction in Central and Eastern European nationals sleeping rough has masked an ongoing increase in rough sleeping involving UK nationals (up by 6% in Q2 2016/17 compared with the same quarter a year earlier).
- At nearly 58,000, annual homelessness acceptances were some 18,000 higher across England in 2015/16 than in 2009/10. With a rise of 6 per cent over the past year, acceptances now stand 44 per cent above their 2009/10 low point. However, administrative changes mean that these official statistics understate the increase in ‘homelessness expressed demand’ over recent years.

218 Bramley, G. & Watkins, D. (2016) Housing need outcomes in England through changing times: demographic, market and policy drivers of change, *Housing Studies*, 31(3), 243-268. DOI: 10.1080/02673037.2a015.1080817

- Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 271,000 'local authority homelessness case actions' in 2014/15, a rise of 32 per cent since 2009/10. While for the second year running this represents a slight decrease in this indicator of the gross volume of homelessness demand, two-thirds of all local authorities in England reported that overall service demand 'footfall' rose in their area in 2015/16, with 'significant increases' experienced by a quarter. The most likely indicates explanation for this apparent discrepancy is that funding constraints have started to limit local authorities' homelessness service capacity, particularly with respect to these 'non-statutory' relief and prevention duties.
- The vast bulk of the recorded increase in statutory homelessness in recent years is attributable to the sharply rising numbers made homeless from the PRS, with relevant cases having almost quadrupled over the period – from less than 5,000 to almost 18,000. As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 per cent to 31 per cent since 2009/10.
- Regional trends in homelessness have remained highly contrasting, with acceptances in the North of England in 2015/16 figure some 6 per cent lower than in 2009/10 (the national low point), while in London the latest figure was more than double (103% higher than) that at the low point of the cycle. However, there were also indications from our 2016 survey results that rising homelessness pressures have recently been bearing down most particularly on the South of England and, to a lesser extent, the Midlands. This might suggest that some of the extreme pressure that has accumulated in London over recent years has begun to transfer beyond the capital's borders.
- Since bottoming out in 2010/11, homeless placements in TA have risen sharply, with the overall national total rising by 9 per cent in the year to 30 June 2016; up by 52 per cent since its low point five years earlier. While accounting for only 9 per cent of the national total, B&B placements have been rising even faster, and now stand almost 250 per cent higher than in 2009. Signs of stress are also evident in the growing proportion of TA placements beyond local authority boundaries: now accounting for 28 per cent of the national total, up from only 11 per cent in 2010/11. Such placements mainly involve London boroughs.
- There were 2.27 million households containing concealed single persons in England in early 2016, in addition to 288,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.34 million. These numbers represent broad stability alongside the estimates presented in the previous two Monitors, but a rise of one-third since 2008.
- Concealed single individuals living with others, when they would really prefer to live independently, increased markedly after 2008, and this was associated with a fall in new household formation. Being a concealed household can be quite a persistent state for both families and single people, with this persistence becoming more pronounced after the recent economic crisis.
- The ability of younger adults to form separate households continues to fall in southern regions and has dropped by a third in London since the early 1990s. The rate of new household formation into rental housing has dropped sharply in 2014, suggesting constraints on available supply through lower turnover.
- Sharing has seen a long-term decline, but

this trend now appears to have bottomed out. Some, but not all, of the increase in concealed households may be the mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

- On the most recent figures 672,000 households (3.0%) were overcrowded in England. Thus, overcrowding has remained at a high level since 2009. Overcrowding can be quite a persistent experience for the households affected, with this persistence increasing in the most recent period.

5 Conclusions

Following the 50th anniversary year of *Cathy Come Home*, it is fitting that the core theme in the 2017 Homelessness Monitor is ‘access to housing’ for homeless people and those at risk of homelessness. The picture emerging from this year’s analysis is far from encouraging: social sector new build and lettings are at historically low levels, there is an ongoing shift towards so-called ‘affordable’ rental products which are in fact beyond the reach of those on the lowest incomes, and Local Housing Allowance limits are increasingly adrift of private rents. While the 2016 Autumn announcement of grant support for 40,000 affordable housing dwellings over the next four years is welcome, social landlords’ investment capacity will continue to be constrained by the 1 per cent annual rent reduction policy, and it remains very much in doubt that the resulting homes will be in fact be accessible to the bulk of those at risk of homelessness.

The absolute shortage of genuinely affordable housing for low income households in large parts of the country continues to be intensified by welfare policy. The benefit cuts introduced in this decade, and those planned for coming years will cumulatively reduce the incomes of poor households in and out of work by some £25 billion a year by 2020/21. This is in a context where existing welfare cuts, economic trends and higher housing costs associated with the growth of private renting have already increased family poverty to record levels. Aside from frozen LHA rates, the stringent LHA restrictions for younger single people and the overall benefit cap are the welfare reform measures most widely viewed as problematic. The homeless groups local authorities find

most difficult to help with housing – single people under 35s and large families – render transparent these welfare reform impacts. Moreover, the overwhelming majority (89%) of local authorities are concerned that the roll out of Universal Credit will exacerbate homelessness, mainly because of the move away from direct payment of rent to landlords and the pressures placed on vulnerable people by online application processes.

From our research evidence it is clear that welfare reform has been making both private and social sector landlords more risk averse with regard to letting to households in receipt of benefit. One local authority representative neatly summarised the difficulties this could conjure up for councils seeking to discharge their homelessness duties:

“Where are people going to go where local authorities... don’t have any stock themselves... and the local [registered] providers... are using affordability assessments and are quite happy to refuse a tenancy on the grounds of affordability... with the problem around affordability for the PRS, with LHA rates, it’s really almost impossible to think where a lot of these people are going to go.”
(LA key informant, 2016)

It is also evident that certain local authorities are using 2011 Localism Act powers to severely restrict access to their housing registers, excluding some statutory homeless households from eligibility, despite the highly questionable legality of this practice.²¹⁹ The mainstream housing options available to many local authority officers for discharge of

²¹⁹ Peaker, G. (2014) ‘Impossible Preference: excluding the homeless from housing lists’ *Nearly Legal blog*, 28th January: <https://nearlylegal.co.uk/2014/01/impossible-preference-excluding-the-homeless-from-housing-lists/>

the main homelessness duty are thus rapidly narrowing.

The position on supported accommodation is, if anything, even more alarming, with Supporting People services – and housing more generally – at the sharpest end of severe cuts in local government finance, executed in such a way as to hit poorer councils much harder than their wealthier counterparts. Consequently, the availability of suitable options for homeless people with complex needs, such as substance misuse or mental health problems, has diminished in many areas. While homelessness organisations have cautiously welcomed the recent decision to delay and mitigate the extension of LHA caps to supported housing tenants, significant concerns remain about the effects on this sector of the social housing rent reduction from April 2017.

At the same time, our evidence suggests that the shrinkage in floating support services available to help vulnerable people sustain mainstream accommodation has undermined (both private and social) landlord confidence about letting to these groups. In this extremely challenging climate, it is perhaps all the more remarkable that the evidence-based Housing First model of rapid reintegration into ordinary housing with wrap-around support for homeless people with the most complex needs seems at last to be gaining some traction in England, albeit that our 2016 local authority survey indicates only a modest spread of this provision across the country as yet. With both official estimates for England as a whole, and the more reliable data for London, painting a similar picture of a doubling in the levels of rough sleeping since 2010, the Government has recently announced new rough sleeping prevention and reduction funds. Although welcome, these will not compensate for severe cuts in mainstream revenue funding for housing support for single homeless people.

With this combination of high housing pressures, ongoing welfare cuts, and severely contracting support services continuing to bear down on the poorest and most vulnerable households, it is hardly surprising that two-thirds of local authorities in our survey reported increased homelessness service demand ‘footfall’ over the past year, with one-quarter experiencing a significant increase. While statutory acceptance levels have risen 6 per cent over the past year, to stand 44 per cent above their 2009/10 low point, our evidence confirms that ongoing administrative changes mean that these official statistics increasingly understate ‘homelessness expressed demand’.

The vast bulk of the recorded rise in statutory homelessness over recent years results from the sharply rising numbers made homeless from the private rented sector, with such cases having almost quadrupled over the period – from less than 5,000 to almost 18,000. As a proportion of all statutory homelessness acceptances, such cases have consequentially risen from 11 per cent to 31 per cent since 2009/10. Local authority testimony indicates that this is attributable to growing demand pressure on private rental markets combined with welfare reforms which have incentivised landlords to terminate the tenancies of these households in order to let to others at a higher rent.

Regional trends in homelessness have continued to be highly contrasting, with acceptances in the North of England in 2015/16 some 6 per cent lower than in 2009/10 (the national low point), while they have more than doubled (up 103%) over the same time period in London. Concealed, sharing and overcrowded households remain heavily concentrated in the capital, with the ability of younger adults to form separate households dropping by a third in London since the early 1990s. However, there were also indications from our 2016 local authority survey results that rising homelessness

pressures are now bearing down particularly hard on the South of England and, albeit to a lesser extent, the Midlands. This might suggest that some of the extreme pressure that has accumulated in London over recent years has begun to transfer beyond the capital's borders. Certainly, displacement of this acute housing stress is evident in the continuing growth in the numbers of 'out of area' temporary accommodation placements by London Boroughs: now accounting for 28 per cent of the national total, up from only 11 per cent in 2010/11.

Within this wider picture it is also important to highlight the uniquely vulnerable position of younger single people who now face highly disproportionate risks of both poverty and homelessness. The Shared Accommodation Rate limits for single people aged under 35 have already had a marked impact in reducing (by some 40%) their access to the private rented sector, and there are now acute concerns regarding the imminent removal of automatic entitlement to the housing costs element in Universal Credit for 18 to 21 year-olds not subject to exemption. Key informants expected this measure to further compound youth homelessness, though much depends on the (yet to be announced) specific exemptions criteria. Anxiety about young people's prospects is clear in this year's local authority survey: two thirds of councils anticipate that it will be 'much more difficult' to help 18-21 year olds and 22-24 year olds access accommodation in the next 2-3 years, in a context where nearly half of local authorities report that it is already very difficult to house these age groups.

The Homelessness Reduction Bill (if enacted) can hardly be expected to 'fix' the major structural challenges facing local authorities and their partners in preventing and tackling homelessness. Nonetheless, it was encouraging to hear from both statutory and voluntary sector key informants that the current draft of the Bill represents a 'reasonable' and 'workable' compromise,

deliverable even in today's acutely adverse climate. Placing the prevention duty on a firmer statutory footing was widely felt to be an important 'protective' step as local budgets are squeezed ever tighter, especially in the poorest parts of the country, and there was significant support for extending meaningful support to single people. At the time of writing, the legislation was not yet 'over the line', with Parliamentary scrutiny ongoing. But for such a significant piece of homelessness legislation, progressive in intent, to be close to enactment, is something that few would have predicted even a year ago.

Looking ahead there are multiple causes for concern in other respects, with the ongoing impacts of austerity-driven welfare reforms not only depleting the incomes of households vulnerable to homelessness, but also undermining the 'pro-poor' local authority services on which so many rely. Set against this, there appears to have been some softening of the official stance on social and affordable housing detectable in the new Conservative Government's decision, for example, to make the 'Pay to Stay' policy for council tenants voluntary for local authorities and to allow housing associations tenure flexibility in the deployment of the new investment grant. By the time of next year's Homelessness Monitor we shall know whether the Homelessness Reduction Bill has passed into law, and we should have more certainty about the future funding arrangements for both supported and temporary accommodation. It will also be interesting to consider whether the first elected city-region Mayors have made good on pledges to prioritise homelessness. We will also be somewhat further down the line in terms of the roll out of Universal Credit and, at a bigger scale, the Brexit negotiations with the remaining EU member states should be well underway and at least some of the implications beginning to emerge. It has never been more important to follow closely the impact of these major social, political

and policy developments – both positive and negative – on some of society’s most vulnerable people.

The Homelessness Monitor will continue to track developments over the course of the current Conservative Government until 2020.

Appendix 1 Topic Guide

1 Introduction

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

2 Trends in client groups/needs

- nature, size, profile of client group (inc. any funding or capacity restrictions on who can work with, especially any evidence of unmet needs)
- needs of clients (ie more/less vulnerable, 'legal highs', etc)
- triggers for homelessness/crisis situation, etc. (are they changing etc.)

3 Homelessness Reduction Bill/homelessness policies

- How familiar are you with the Bill as it stands (i.e. post 2nd reading)?
- What do you think its main strengths/weaknesses are?
- What are the main implications for homeless households/your client group (if it were to be passed as it stands at the moment)?
- What is (are) the view(s) of the LA(s) (in your area) (if feel able to comment)?
- Is the preservation of the Homelessness Prevention Grant an important victory or fairly marginal in your view (in your area/for your clients)?
- (Any views on the £40m Dep of Health fund to refurbish hostels and provide low cost shared accommodation for young people at risk of homelessness?)
- (Any views on the recently announced Prevention Trailblazers (£20m), rough sleeping grant fund (£10m targeting new rough sleepers/those at imminent risk) and SIB targeting entrenched rough sleeping (£10m)?)

- (Any views on the extra DV service funding announced in 2015 spending review and £20m funding pot launched this month by DCLG?)

4 Impacts of Government welfare and housing policies

Are there any particular Government policies that impact/are likely to impact significantly on levels of homelessness/your clients/service users and demand for your services? Things getting worse/better? Any new implications of the May Government agenda?

Probe:

welfare reform –

- removal of auto entitlement to housing support for 18-21 year olds (details on exemptions?) Likely to go ahead?)
- LHA restrictions in PRS (30th percentile rule; SAR; LHA caps);
- HB in SRS ('Bedroom Tax'; extension of LHA/SAR to social rented sector);
- HB non-dependent deductions;
- lowering of household benefit caps;
- Local Welfare Assistance funds/localisation of Council Tax Benefit;
- working age benefit freezes;
- IB/ESA/Personal Independence Payments (e.g. overhaul of 'Work Capability Assessment announced by Damian Green end Oct)

Temporary accommodation – implications of the shift from additional management fee (recouped through HB) to upfront allocation by LAs

Supported acc – implications of LHA cap 'deal'; 1 per cent rent cut

How are DHPs now being used/are they mitigating impacts in your area?

Universal Credit – impact of roll-out so far; main homelessness implications if/when fully rolled out? (Probe: direct payments; single payment, monthly in arrears; online applications; extension of sanctions, changes to NDDs, Tax Credit reductions)

JSA/ESA sanctions – what are the impacts (on your clients)? Eased/worsened recently/much the same? What, if any, difference are the 'easement' arrangements making?

social housing – Rent cut impacts? Implications of Housing and Planning Act 2016?

- changes to security of tenure
- pay to stay
- voluntary Right to Buy for HAs
- forced sale of high value council houses
- Other national/local social housing policies relevant?

Supporting People/revenue funding for youth/single homelessness services – what is current position/trend?

Devolution (to city region) and localism agendas – how relevant/impactful in your area? Positive/negative for homeless people? Why?

5 Follow up

Any data/evidence they can give us? Can you feed in any updates on relevant data? (Probe: if they have been involved in DCLG discussions about changes in P1E/prevention/single/rough sleeping stats ask what they think)

OK to return to speak to them again this time next year?

Appendix 2 Local Authority Survey

Emulating similar surveys implemented by the research team in 2014 and 2015, an online survey of England's 326 local authorities was undertaken in September/October 2016. The main aim was to delve beneath the routinely published statutory homelessness statistics to enhance understanding of how housing market trends and welfare reforms have impacted on (a) homelessness demand pressures, and (b) local authorities' ability to prevent and resolve homelessness.

While the starting point for this year's questionnaire was the 2015 survey, the questions were also updated to reflect recent, ongoing and anticipated policy developments. Survey design was also informed through consultation with national experts in the field, as well with CRISIS and Joseph Rowntree Foundation (JRF) colleagues. A draft version of the questionnaire was kindly piloted by two case study authority contacts.

An e-mail invitation to participate in the survey was sent via the National Practitioner Support Service to local authority homelessness contacts (often nowadays titled 'housing options managers'). London Councils also assisted with maximising responses from London Boroughs. Following two sets of general reminder messages, and bespoke prompting of contacts who had participated in the survey in previous years, complete responses were filed by 162 authorities or 50 per cent of all authorities – see Table 1. In terms of its regional distribution the achieved sample is appropriately representative of England.

Table 1 Survey response rate

Broad region*	All local authorities	Responding local authorities	Response rate %
London	33	16	48
South	151	72	48
Midlands	70	35	50
North	72	39	54
England	326	162	50

*In this survey we have followed the convention that the South includes the East of England as well as the South East and South West of England.

Table 2 Has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year?

	Yes - increased significantly	Yes - increased slightly	No - remained reasonably steady	Yes - decreased slightly	Yes - decreased significantly	Total	N
	% of responding local authorities						
London	13	38	50	0	0	100	16
South	35	49	15	1	0	100	72
Midlands	29	34	34	3	0	100	35
North	8	38	46	8	0	100	39
England	25	42	30	3	0	100	162

Table 3 How easy is it in your area to help applicants access housing to prevent/resolve homelessness?

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	6	19	75	100	16
South	7	18	39	36	100	72
Midlands	17	26	51	6	100	35
North	28	33	26	13	100	39
England	14	22	36	28	100	162

(a) Social rental

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	0	6	94	100	16
South	1	4	38	57	100	72
Midlands	3	11	40	46	100	35
North	28	21	31	21	100	39
England	8	9	33	49	100	162

(b) Private rental

Table 4 How easy is it in your area to help single people under 35 access shared housing?

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	0	13	88	100	16
South	1	8	15	75	100	72
Midlands	0	9	26	66	100	35
North	0	8	18	74	100	39
England	1	7	18	74	100	162

(a) In the social rental sector

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	0	19	81	100	16
South	1	3	26	69	100	72
Midlands	6	6	40	49	100	35
North	5	8	28	59	100	39
England	3	4	29	64	100	162

(b) In the private rental sector

Table 5 How easy or difficult is it in your area to find accommodation for the following types of homeless households?

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
Large families (3+ children)	6	6	28	60	100	162
Small families	15	20	37	28	100	162
Single 16-17 year olds	9	17	33	42	100	162
Single 18-21 year olds	4	12	40	44	100	162
Single 22-24 year olds	4	14	36	46	100	162
Single 25-34 year olds	2	12	36	49	100	162
Single people aged 35 +	9	23	44	23	100	162

Table 6 Has the provision of specialist support and/or accommodation for the following groups of homeless people/those at risk of homelessness changed in your area since 2010?

	Increased	Remained the same	Reduced	Total	% increased minus % reduced	N=
	% of responding local authorities					
Migrants	21	69	10	100	11	162
DV survivors	32	47	21	100	11	162
16-17s	30	42	28	100	1	162
Care leavers	21	57	22	100	-1	162
Women	11	76	13	100	-1	162
18-24s	24	43	33	100	-9	162
Ex-prisoners	14	55	31	100	-17	162
Substance abusers	17	45	38	100	-22	162
Alcohol abusers	16	45	39	100	-23	162
Mental ill health sufferers	20	36	44	100	-24	162

Table 7 Housing Options service staffing budget: change in 2016/17 compared with 2015/16

	Increased significantly	Increased slightly	Remained similar	Reduced slightly	Reduced significantly	Total	N=
	% of responding local authorities						
London	0	6	63	25	6	100	16
South	1	8	75	8	7	100	72
Midlands	6	3	69	17	6	100	35
North	0	5	74	15	5	100	39
England	2	6	72	14	6	100	162

Table 8 Thinking about the next 2-3 years, do you anticipate it will become easier or more difficult for the following types of homeless households to access accommodation in your area?

	Much more difficult	Somewhat more difficult	Neither easier nor more difficult	Somewhat easier	Total	N=
	% of responding local authorities					
Large families	62	25	13	1	100	162
Small families	39	35	26	1	100	162
single 16 and 17 year olds	47	30	22	1	100	162
single 18-21 year olds	66	25	9	0	100	162
single 22-24 year olds	65	27	9	0	100	162
single 25-34 year olds	64	30	6	0	100	162
single people aged 35 +	42	31	20	7	100	162

Table 9 Housing First provision

	Already have	Plans	Total existing and planned	N=
	% of responding authorities			
London	13	6	19	16
South	7	18	25	71
Midlands	14	3	17	35
North	19	19	38	37
England	12	14	26	159

Table 10 Familiarity with the 2016 Homelessness Reduction bill

	Very familiar	Fairly familiar	Not familiar at all	Don't know	Total	N=
	% of responding local authorities					
London	56	38	6	0	100	16
South	30	49	20	1	100	71
Midlands	26	57	17	0	100	35
North	22	65	14	0	100	37
England	30	53	16	1	100	159

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About Crisis

Crisis is the national charity for homeless people. We are committed to ending homelessness.

Every day we see the devastating impact homelessness has on people's lives. Every year we work side by side with thousands of homeless people, to help them rebuild their lives and leave homelessness behind for good.

Through our pioneering research into the causes and consequences of homelessness and the solutions to it, we know what it will take to end it.

Together with others who share our resolve, we bring our knowledge, experience and determination to campaign for the changes that will solve the homelessness crisis once and for all.

We bring together a unique volunteer effort each Christmas, to bring warmth, companionship and vital services to people at one of the hardest times of the year, and offer a starting point out of homelessness.

We know that homelessness is not inevitable. We know that together we can end it.

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