



Together
we will end
homelessness

The homelessness monitor: England 2018

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Steve Wilcox, Beth Watts & Jenny Wood, Institute for Social Policy, Environment and Real Estate (I-SPHERE), Heriot-Watt University; City Futures Research Centre, University of New South Wales.

April 2018



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 seventh annual report updates our account of how homelessness stands in England in 2018, or as close to 2018 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 UK

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

B&B	Bed and Breakfast
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
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
DWP	Department for Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HtB	Help to Buy
HRA	Homelessness Reduction Act
H-CLIC	Case-level statutory homelessness data collection tool
LA	Local Authority
LFS	Labour Force Survey
LHA	Local Housing Allowance
MHCLG	Ministry of Housing, Communities and Local Government
NAO	National Audit Office
P1E	Government statistical return on homelessness
PAC	Public Accounts Committee
PRS	Private Rented Sector
SAR	Shared Accommodation Rate
TA	Temporary Accommodation
UC	Universal Credit
UKSA	UK Statistics Authority

Foreword

The homelessness monitor England 2018 is the seventh 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 reveals how desperate the situation has become for homeless households trying to find somewhere to live. Councils across the country are struggling to house people because of a decline in social housing, spiralling private rents, and welfare cuts. Councils also reported a growing reluctance among landlords to rent to people on welfare, with many worried that formerly homeless tenants would struggle to pay rent and bills.

Consequently, the number of homeless families and individuals placed in temporary accommodation jumped to 78,000 last year, an 8% rise on the year and a massive 60% rise since 2012. The number of homeless households placed in B&Bs – which are often cramped, unsuitable, and sometimes even dangerous – rose particularly quickly, with a 10% rise on the year. If trends continue as they are the research reveals that 100,000 households will be living in B&Bs, hostels and other temporary accommodation.

The monitor shows that homelessness is rising across the country and in particular outside the capital. This time last year the Homelessness Reduction Bill was passing through parliament. It has now become law and places a statutory duty on councils to help people who are homeless or at risk of homelessness. This could make a significant difference.

The government's recent actions on homelessness including the pledge to end rough sleeping by 2027, and the establishment of the Homelessness and Rough Sleeping Implementation Taskforce is welcome. Yet while the Homelessness Reduction Act is a positive step forward, there remains pressing structural issues driving homelessness. More social housing needs to be built and homeless people need to be able to access it.

This year's monitor explores all these issues in detail and gives the most up to date and authoritative overview of the state of homelessness in England today. It is 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

Key points

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 seventh annual report for England updates our account of how homelessness stands in 2018, or as close to 2018 as data availability allows.

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

- Homelessness has shot up the media and political agenda over the past year. All of the major party manifestos made mention of homelessness in the snap June 2017 election, and the Conservatives under Theresa May pledged to halve rough sleeping by 2022 and eliminate it altogether by 2027. The Prime Minister has also established a high-level Rough Sleeping and Homelessness Reduction Taskforce supported by an expert Rough Sleeping Advisory Panel.
- This political attention is in large part a response to the ongoing rise in officially estimated rough sleeper numbers, with the national total now up by 169 per cent since 2010. The more robust statistics routinely collected by the CHAIN² system similarly show London rough sleeping having more than doubled since 2010. Latest figures show London rough sleeping involving UK nationals continuing to increase very slightly. However, thanks to a sharp contraction in street homelessness involving those of Central and Eastern European and other non-UK origin, overall London rough sleeping has marginally reduced since 2015.
- At just over 59,000, annual homelessness acceptances were some 19,000 higher across England in 2016/17 than in 2009/10. With a rise of 2 per cent over the past year, acceptances now stand 48 per cent above their 2009/10 low point. However, administrative changes mean that these official statistics understate the true increase in 'homelessness expressed demand' over recent years.

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/pages/homelessnessmonitor.html>

2 Multi-agency database recording information about rough sleepers and the wider street population in London

- The vast bulk of the recently recorded increase in statutory homelessness is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases having quadrupled over the period – from less than 5,000 per year to over 18,000.³ As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 per cent in 2009/10 to 31 per cent by 2015/16, remaining at this unprecedented level in 2016/17. With homelessness acceptances prompted by mortgage repossessions or by social sector rent arrears remaining at historically low levels, it is beyond doubt that statutory homelessness is now far more closely associated with ejection from the private rented sector than from either of the other two major tenures.
- All available evidence points to Local Housing Allowance reforms as a major driver of this association between loss of private tenancies and homelessness. These reforms have also demonstrably restricted lower-income households' access to the private rented sector. The number of Housing Benefit/Universal Credit claimants who are private tenants is now some 5 per cent lower than when the Local Housing Allowance reforms began in 2011, despite the continuing strong growth of the private rented sector overall. This policy has also, as intended, had a particularly marked impact in inner London.
- Regional trends in homelessness have remained highly contrasting, with acceptances in the North of England in 2016/17 still below the 2009/10 national nadir, while in London the latest figure was almost double (91% higher than) than that at the low point of the cycle. However, the 2016/17 saw the first annual drop in London acceptances for seven years and both these statutory homelessness statistics and our 2017 local authority survey indicate that rising homelessness pressures are now bearing down most heavily on the South of England and, to a lesser extent, the Midlands.
- Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, at twice the rate of homelessness acceptances. Thus, the overall national total rose by 8 per cent in the year to 31 March 2017, up 61 per cent on the low point six years earlier. A continuation of this trend would see placements topping 100,000 by 2020. Though accounting for only 9 per cent of the national total, bed and breakfast placements have been rising particularly quickly, and now stand 250 per cent higher than in 2009. The National Audit Office has drawn attention to a 39 per cent real terms increase in local authority spending on temporary accommodation in the five years to 2015/16, a period when expenditure on homelessness prevention declined.
- The ability of younger adults to form separate households continues to fall in all regions of England and has dropped by nearly 40 per cent in London since the early 1990s. The annual rate of new household formation, particularly into private rental housing, has dropped sharply since 2011, and new household formation in 2014 and 2015 was lower than in any year since the mid-2000s. This is indicative of continuing constraints on available

³ This reflects the rising number of statutory homeless cases where the immediate cause of homelessness is recorded as 'end of Assured Shorthold Tenancy'. It is acknowledged that Assured Shorthold Tenancies may be utilised by social landlords as well as by private landlords. However, while Assured Shorthold Tenancies are the norm for private renters, they remain unusual in the social rented sector. On this basis we believe it appropriate to reference this trend as a proxy for homelessness arising from private tenancies.

supply through lower turnover, and inadequate new build supply, as well as affordability problems.

- The previous decline in shared housing has been decisively reversed, with pronounced increases since 2014 including in 2017. This increase likely reflects changes in welfare support for housing costs, particularly the very low Shared Accommodation Rate of Housing Benefit, as well as general pressure on the housing market. There are signs of change in the types of shared accommodation, with an increase in cases of sharing with larger numbers of other households.
- Virtually all respondents to this year's local authority survey anticipated that a range of prospective and ongoing welfare benefit freezes and restrictions would exacerbate homelessness in their area – either slightly or substantially. Two changes – removal of 'automatic' Housing Benefit entitlement for young adults and full roll out of Universal Credit – stood out as being generally expected to trigger significant increases.
- There are acute and growing concerns about the many difficulties that the administrative arrangements for Universal Credits pose for vulnerable households, despite the concessions made in the Autumn 2017 Budget. The cuts to Universal Credit announced in the 2015 Summer Budget (and only partly mitigated by the reduction to the Universal Credit taper rate announced in the 2016 Autumn Statement) have reduced the gains from working for very low paid households. One very positive development, however, has been the reversal of the previously announced plan for the application of Local Housing Allowance caps to social tenants.
- As predicted, the lower overall benefit caps imposed in November 2016
- have had a far greater impact than the initial regime, tripling (to c.61,000) the numbers of households impacted in England. Over 9,000 households have been subject to a deduction of over £100 per week, including over 8,000 families with three or more children.
- The Homelessness Reduction Act 2017, due to come into force in April 2018, seems to have garnered significant and growing cross-sectoral support. While there remain concerns regarding the adequacy of the 'new burdens' funding granted to local authorities to support the Act's implementation, the more fundamental issues relate to the growing structural difficulties that many local authorities face in securing affordable housing for their homeless applicants.
- Alongside the narrowing opportunities to access the private rented sector (see above), there is a growing evidence of a squeeze on homeless households' access to social tenancies. This arises not only from the pressure on the highly diminished pool of available social rented properties, with an 11 per cent drop in new lettings in the past year alone, but also a reported increase in social landlord anxieties about letting to benefit-reliant households and those with complex needs.
- A number of specific commitments on homelessness were announced by the Chancellor in the 2017 Budget, including investment in a national Private Rental Access Scheme and substantial funding for three Housing First pilots. These commitments have been generally welcomed, albeit that many have questioned the need for further piloting of Housing First given the now very well-established evidence base supporting this model.
- Both the National Audit Office and Public Accounts Committee have

published reports highly critical of aspects of the Government's handling of homelessness, including the former Department for Communities and Local Government's "light touch" approach to working with local authorities on this issue, the Department for Work and Pensions failure to evaluate the homelessness impacts of its welfare reforms, and the lack of an overarching cross-governmental strategy on homelessness.

- There have been high profile mayoral commitments to address homelessness in Greater Manchester, the West Midlands, and Liverpool. These mayors lack formal powers with regard to homelessness but appear to be galvanising significant enthusiasm and momentum behind cross-border and inter-sectoral approaches, albeit that it remains too early to discern any concrete outcomes.
- There are highly divergent views on the merits of the Government's proposals on the funding of short-term supported accommodation, which would involve taking these housing costs out of the mainstream benefit system and instead providing funding via a ring-fenced pot administered by local authorities.
- While the UK economy has now clearly recovered from the credit crunch, future prospects have been dampened by uncertainty following the referendum vote for the UK to leave the EU. 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 2016. However in London, which has seen exceptional house price growth since 2007, affordability pressures are now greater than they were a decade ago.

Trends in homelessness

The table below provides a statistical overview of the key homelessness trends, as captured in official and administrative 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, although for all indicators except the national rough sleeping estimates, the rate of increase has significantly slowed in the most recent financial year.

Rough sleeping

An ongoing upward trend in officially estimated rough sleeper numbers remained strongly evident in 2017, with the national total up by 169 per cent since 2010 and by 15 per cent since last year. Proportionately, 2017 numbers grew fastest in the North of England, up by 32 per cent - albeit on a small base. Over the longer term, however, increases have been particularly rapid in the South of England outside London - 194 per cent higher in 2017 than in 2010. Since 2016, Government has required local authorities to provide some more detailed information about rough sleepers, over and above simple counts. Thus, in 2017, it is estimated that some 86 per cent of rough sleepers were men while just over a fifth (22%) were non-UK nationals. Of these, most (17% of all rough sleepers) were thought to be EU nationals.

The more robust and comprehensive rough sleeper monitoring data collected by Greater London Authority's CHAIN system managed by St Mungo's in London is consistent with the broader national picture as regards medium-term trends, with rough sleeping having more than doubled in the capital since 2010 (up 104%). However, latest figures (Q4 2017) strongly suggest that the overall scale of London rough sleeping peaked around 2015. Importantly, however, the subsequent 8 per cent reduction entirely reflects falling

Table 1.0 – Summary of Homelessness Statistics

	2009/10	2015/16	2016/17	% change - 2015/16 - 2016/17	% change - 2009/10 - 2016/17
Rough sleeping in England – snapshot (1)	1,768	4,134	4,751	15	169
Rough sleeping in London – annual (2)	3,673	8,096	8,108	0	121
Local authority statutory homelessness cases – annual (3)	89,120	114,760	115,550	1	30
Local authority statutory homelessness acceptances – annual (4)	40,020	57,730	59,100	2	48
Local authority homelessness prevention and relief cases (5)	165,200	213,300	215,210	1	30
Total local authority homelessness case actions (6)	205,220	271,050	274,310	1	34

Sources: (1), (3-6) Ministry of Housing, 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).

numbers involving non-UK nationals. Rough sleepers of Central and Eastern European origin logged in Q4 2017 were no less than 37 per cent fewer in number than those recorded in Q4 2015. Over the same two-year period rough sleepers of other non-UK origin diminished in number by 11 per cent. Rough sleeping involving UK nationals, on the other hand, has continued to rise – albeit by only 1 per cent in the latest year, as compared with a 16 per cent increase in the year to Q4 2016.

In the 2017 local authority survey, we asked respondents whether rough sleeping had increased in their area over the past year. Well over half (61%) reported that it had. Many respondents made mention of welfare reform in accounting for this rise, but issues more specific to rough sleeping were also frequently mentioned, particularly reduced access to support and social care services. Unsurprisingly, given the widespread nature of this reported rise

in rough sleeping, nearly two thirds (64%) of responding authorities felt that there was a need for additional resources and/or provision of accommodation/services in order to properly address rough sleeping in their locality. The kinds of expanded provision that respondents had in mind often involved additional emergency or night shelter accommodation. Others called for more supported housing suitable for people with complex needs or referenced the need for 'Housing First' provision. For a number of participants, the establishment of outreach services was considered a priority.

With the establishment of the Rough Sleeping and Homelessness Reduction Taskforce, and its supporting Rough Sleeping Advisory Panel the Government has recognised that concern over rough sleeping has reached levels that are unprecedented in recent years. However, there was

much concern from stakeholders interviewed this year about whether this Taskforce would have the political will required to bring about the structural policy changes required to make a real difference, especially with regard to welfare reform.

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 and, within that, those classed as 'unintentionally homeless and in priority need' ('homelessness acceptances'). Subsequently, however, the national statutory homelessness caseload largely stabilised. In 2016/17 the total number of formal decisions rose by just 1 per cent to stand at 116,000 – or 29 per cent higher than the 2009/10 low point. Similarly, homelessness acceptances rose 2 per cent in 2016/17 to 59,100 – 48 per cent above their 2009/10 low point.

The vast bulk of the increase in statutory homelessness over the past few years has resulted from the sharply rising numbers made homeless from the private rented sector, with annual losses of assured shorthold tenancies having quadrupled over the period – from less than 5,000 to over 18,000 (18,270).⁴ As a proportion of all statutory homelessness acceptances, such cases have consequentially risen from 11 per cent to 31 per cent since 2009/10, albeit that this proportion has stayed stable since last year.⁵ Most local authority survey participants attributed this trend to the growing displacement of low income tenants in pressured markets, reflecting their declining ability to compete with higher income groups due to progressively tightening Local Housing

Allowance restrictions (see below).⁶ In sharp contrast, homelessness attributed to mortgage arrears and repossessions has continued to fall in recent years, and remains at historically low levels (under 1% of 2016/17 homelessness acceptances). Social sector arrears-eviction-triggered acceptances also remain extremely low, at around 3 per cent of the total. There can be little doubt, therefore, that homelessness is now far more closely associated with ejection from the private rented sector than either of the other two major tenures.

There remains a pronounced regional trend in the statutory official statistics. In 2016/17 homelessness acceptances across the North of England remained below the 2009/10 nadir, whereas in London the latest figure was almost double (91% higher than) that at the low point of the cycle. Nevertheless, 2016/17 saw the first annual drop in London acceptances for seven years. This year's local authority survey results also suggest that – as in 2015/16 – rising homelessness pressures have recently been bearing down most particularly on the South of England and the Midlands. This shows a continuing trend away from a previous pattern in which London stood out as the region in which authorities subject to rising demand were most dominant.

Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 8 per cent in the year to 31 March 2017 to reach 78,000 – up by 61 per cent from its low point six years earlier. A continuation in this trend would see placements topping 100,000 by 2020. Such placements have been rising at around twice the rate of homelessness acceptances – in the period that has

⁴ See footnote 3

⁵ Department for Communities and Local Government (2017) *Statutory Homelessness and Prevention and Relief live tables: Table 774 – Reason for Loss of last Settled Home*, Online: DCLG. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

⁶ See also NAO (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office

seen temporary accommodation use expand by 61 per cent, the latter has grown by only 34 per cent. Although accounting for only 9 per cent of the national temporary accommodation total as at 31 March 2017, bed and breakfast placements have risen much faster than other forms of temporary accommodation. Totalling 6,580, the number of placements was 10 per cent higher than a year previously and 250 per cent higher than in 2009. This growing pressure on temporary accommodation probably reflects shrinkage in suitable local authority rehousing resources.

In 2016/17 informal 'prevention' and 'relief' cases handled by local authorities continued to outnumber statutory homelessness acceptances by almost four to one, albeit that the total volume of prevention activity has remained fairly steady over the past year, after a slight decline over the previous two years. 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. National Audit Office analysis reveals that local authority spending on homelessness prevention, support and administration fell by 9 per cent in real terms between 2010/11 and 2015/16 (from £334million to £303million), while at the same time expenditure on temporary accommodation has increased by 39 per cent in real terms.⁷ This may help to explain the apparent discrepancy between the results of our local authority survey, wherein two thirds of respondents (67%) reported that homelessness demand ('people seeking assistance') had increased in their area over the past year, while overall caseloads remained fairly static.

Data on 'successful' prevention activities indicates that 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 almost 50 per cent. In explaining this trend many local authority respondents – especially in London and the South – referred to the increasing detachment of Local Housing Allowance rates from market rents. Thus, a diminishing proportion of local lettings remain affordable for benefit-reliant households; for councils seeking to assist such applicants a growing part of the local housing market is off-limits. Conversely, the most striking homelessness prevention 'growth activity' has involved debt advice and financial assistance which, in 2016/17, accounted for almost 50,000 prevention instances – up from only 16,000 in 2009/10.

At present, the statutory homelessness system excludes many single homeless people, for whom there is no comparable integrated dataset, albeit that some of the informal prevention and, especially, relief cases just discussed will refer to this group. But with the implementation of the Homelessness Reduction Act 2017 in April of this year (see below), and the accompanying overhaul of the official homelessness statistics (with a switch from the summary P1E⁸ statistical returns to H-CLIC⁹ case records), we would hope to be able to provide a better picture of single homelessness in England in the next Homelessness Monitor, or at least that portion of it encountered by local authorities.

Hidden homelessness

A number of large-scale data sets allow us to explore certain aspects of potential 'hidden homelessness' – that is, people who may be considered

7 National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

8 Government statistical return on homelessness

9 Case-level statutory homelessness data collection tool

homeless but whose situation is not 'visible' either on the streets or in official statistics. This includes concealed households,¹⁰ sharing households¹¹ and overcrowded households.¹²

The numbers of concealed households remain high in England despite ostensibly favourable employment conditions and a recovering housing market. There were 2.32 million households containing concealed single adults in England in early 2017, in addition to 282,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.38 million.

The ability of younger adults to form separate households continues to fall in all regions and has dropped by nearly 40 per cent in London since the early 1990s. The annual rate of new household formation, particularly into private rental housing, has dropped sharply since 2011, and new household formation in 2014 and 2015 was lower than in any year since the mid-2000s. This is indicative of continuing constraints on available supply through lower turnover, and inadequate new build supply, as well as affordability problems (see below).

A previous long-term decline in shared housing has now been decisively reversed, with sharing now at its highest rate for 20 years. According to the Labour Force Survey, 1.83 per cent of households in England shared in 2017 (Q2), a significant increase on the 1.46 per cent recorded one year earlier. Sharing was most common for single person households (4.2%), but was also found amongst couples (2.1%),

and lone parent households (1.6%). Increases in sharing were most marked for families and (single) pensioners. Sharing is particularly concentrated in private renting (4.8%) but has grown sharply in the social rented sector (from 1.7% to 3.4% in one year). It is much more prevalent (and growing) in London (6.1%), as one would expect, and the next highest regions are the South West (2.6%) and North West (1.6%).

On the most recent figures, 678,000 households (3.0%) were overcrowded in England. Overcrowding has remained at a high level since 2009. Overcrowding is less common and declining in owner occupation (1.3%) but much more common in social renting (6.8%) and private renting (5.3%). 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 2014/15. The next worst region for overcrowding is the West Midlands (2.9%), followed by the South East (2.6%).

Economic and policy impacts on homelessness

While the UK economy has now clearly recovered from the credit crunch, future prospects have been dampened by uncertainty following the referendum vote for the UK to leave the EU. Although unemployment has been falling so have average real earnings - and they are not now forecast to return to 2007 levels until well into the next decade. There has been some housing market recovery, especially in London, but in two northern regions house prices in 2016 remained below 2007 levels. Once the lower interest rates and modest levels

- 10 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.
- 11 '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.
- 12 '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.

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 2016. However, in London, which has seen an exceptional level house price growth since 2007, affordability pressures are now greater than they were a decade ago.

Despite a substantial increase in net housing supply in England in 2016/17, concerns remain about the shortfall relative to levels of household formation. 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 2024.¹³ While there was a further welcome rise in the level of new house building in 2016/17, and continued growth in the contribution from dwellings created through conversions and changes of use, the overall rate of new housing provision was still some 10,000 short of the level required to just keep pace with projected new household formation.¹⁴ New build figures for the first half of 2017/18 are some 7,000 up on the first half of 2016/17, and the new affordable housing funding and other measures announced in the 2017 Autumn Budget will also be helpful. However, even though there does therefore now seem to be some prospect that net additions to the housing stock will rise to match projected household growth this year, the Government's new target of achieving 300,000 annual additions to the housing stock by the end of the current Parliamentary term still looks optimistic.

Social landlords' investment capacity will continue to be constrained by the rent reduction policy that currently remains in place, but that constraint has been eased by the government announcements that social sector

rents will resume annual increases the of Consumer Price Index + 1 per cent from April 2020, and that – reversing previous plans – Local Housing Allowance limits will not be applied to Housing Benefit claims in the social rented sector. The announcement of an additional £2 billion to be added to the English affordable housing budget should lead to a marked increase in the numbers of new social sector dwellings being added to the stock, albeit only to levels well below independent assessments of requirements. The rise will also continue to be partially offset by the impact of right to buy sales (over 13,000 in 2016/17), and the total levels of lettings available to new tenants are set to remain at historically low levels following the sharp fall in 2016/17.

The most notable homelessness-specific policy development over the past year was undoubtedly the passage of the Homelessness Reduction Act 2017. The new legislation, due to come into force in April 2018, seemed to have garnered strong cross-sectoral support, and an apparently growing consensus behind it. The emphasis on earlier preventative interventions, on meaningful support for single people, and on a balance of responsibilities between local authorities and households at risk of homelessness, appears to have won the assent of most key stakeholder groups. The government have published the new Homelessness Code of Guidance which updates existing guidance and covers the duties brought in by the Homelessness Reduction Act. The new Code focuses tightly on the legislation and less on providing general good practice guidance. Many aspects of the draft Code were welcomed by our key informants, but much will depend on the complementary role expected to be played by code(s) of practice yet to be issued by Ministers.

¹³ Department for Communities and Local Government (2016) *2014-based Household Projections: England, 2014 – 2039*, London: DCLG.

¹⁴ Department for Communities and Local Government (2017) *Net supply of Housing: 2016-17 England*, London: DCLG.

While the adequacy of the 'new burdens' funding to support local authority implementation of the 2017 Act, and its distribution and non-ring-fenced status, has, unsurprisingly, prompted considerable debate, the more fundamental issues relate to the extraordinarily difficult and in many ways deteriorating structural context within which this progressive legislation is being implemented.

The options are narrowing for local authorities charged with preventing and resolving homelessness, as benefit-reliant households are entirely priced out of the private rented sector in some parts of the country. At the same time, there is growing evidence of a squeeze on homeless households' access to social tenancies, arising not only from the pressure on the highly diminished pool of properties available (lettings have fallen by 11 per cent in just the past year), but also increased landlord anxieties about letting to benefit-reliant households and those with complex needs. In all, 70 per cent of local authorities across England surveyed this year reported difficulties in accessing social tenancies to help prevent or resolve homelessness in their area (64% did so last year). This also continues to be a highly regionalised picture, with 80 per cent of London Boroughs reported that access to social housing for their homeless clients was 'very' difficult, as compared with 2 per cent of Northern local authorities.

Virtually all respondents to this year's local authority survey anticipated that a range of prospective and ongoing welfare benefit freezes and restrictions would exacerbate homelessness in their area – either slightly or substantially. Two changes – removal of 'automatic' Housing Benefit entitlement for young adults (but see below) and full roll out of Universal Credit – stood out as being generally expected to trigger significant increases.

In September 2017, the National Audit Office published a carefully worded but nonetheless damning report on the Government's homelessness record. Via their own bespoke analysis, the National Audit Office highlighted the link between Local Housing Allowance shortfalls and homelessness trends, particularly the sharp upswing in homelessness precipitated by the ending of assured shorthold tenancies. The report also highlighted the inadequacy of the former Department for Communities and Local Government's 'light touch' approach to working with local authorities on homelessness, and the Department for Work and Pensions failure to fully assess the impact of its welfare reforms on homelessness. This report was followed by an evidence session with the Public Accounts Committee for officials from both the former Department of Communities and Local Government and the Department for Work and Pensions, and a Committee report which described homelessness as a "national crisis" and denounced the Government's "attitude" to homelessness as "unacceptably complacent". At the time of writing the Government's formal response to the Public Account Committee report is still awaited.

However, by comparison with the position of the 2010-2015 Coalition and also the 2015-2016 Conservative administration, there has been a discernible softening of stance by the current Government on a number of relevant welfare and housing issues. In particular, the present Government has appeared somewhat more amenable to intervening in the 'broken' housing market. Possibly another indication of a shift in ideological positioning is recent news that virtually all Universal Credit applicants aged under 22 seeking support with housing costs have been found 'exempt' from regulations designed to exclude

them.¹⁵ Of broader significance has been the reversal of the previously announced plan for the application of Local Housing Allowance caps to social tenants.¹⁶

A number of specific commitments on homelessness were announced in the 2017 Budget, including £20 million of funding for Private Rental Access Schemes to support people at risk of homelessness to access and sustain tenancies in the private rented sector and £28 million funding for three Housing First pilots. While this official endorsement of, and substantial resources for, Housing First for rough sleepers and other homeless people with complex needs was welcomed, some key informants expressed disappointment that this investment in Housing First is to be in the form of pilots rather than a national roll out, given the strong evidence base that already exists for this intervention.

Notwithstanding the positive nature of the measures just noted, they are likely to be heavily outweighed by the negative homelessness impacts of the ongoing divergence between Local Housing Allowance maxima and market rents in many areas, and the working through of other welfare cuts still in train, most notably the general freeze on working-age benefits.

The funding of temporary and supported housing continues to exercise virtually all stakeholders interviewed for this year's Monitor. There are decidedly mixed views on the Government's current proposals on short-term supported accommodation, which would involve taking these housing costs out of the mainstream benefit system altogether and instead providing funding via a ring-fenced pot allocated by local authorities. On the one hand, many

commentators are firmly opposed to taking these rental costs out of the entitlement-based, demand-led housing benefit system. They point to severe cuts in 'Supporting People' funding since 2010 as evidence that initial ring-fencing of this new local authority budget is far from a long-term guarantee of adequate resourcing. While acknowledging these fears, particularly with regard to the potential flimsiness of the ring-fence, other commentators see the proposed new model as a positive and appropriate measure, which recognises the very different status and cost structure of this form of accommodation from self-contained, general needs units. This latter group stress that the proposed new funding arrangements will ease barriers to work for residents who will no longer be subject to high rents and earnings taper rates while they live in short-term supported accommodation. Those on this side of the debate also emphasise the significant reduction in 'transactional costs' for service providers, who will no longer be required to devote significant portions of staff time to sorting out Housing Benefit claims.

Another key unfolding story relates to the devolved city regions, and high profile mayoral commitments to address homelessness, particularly in Greater Manchester, Liverpool and the West Midlands, as well as the more longstanding initiatives in London. While the cities' devolution 'deals' differ in their details, in all cases the mayors lack formal powers on homelessness – the relevant duties and responsibilities continuing to rest with local authorities. Nonetheless, these mayoral activities appear to be galvanising significant enthusiasm and momentum behind cross-border and inter-sectoral approaches. It is too

15 See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672800/removal-of-automatic-entitlement-to-housing-costs-for-18-to-21-year-olds-in-universal-credit-ad-hoc-statistics.pdf

16 See <https://www.theguardian.com/society/2017/oct/25/theresa-may-performs-major-u-turn-plans-cap-housing-benefi>

early to review the concrete outcomes of these initiatives, but the Monitor will closely track their progress over the next three years. At the same time, it should be highlighted that, whatever the homelessness hopes invested in city regions and directly elected mayors, the overwhelming message from across the key informants this year was to emphasise the need for national leadership and a national strategic focus on homelessness, particularly with respect to the impacts of welfare reform.

Conclusion

The year sees the coming into force of the Homelessness Reduction Act 2017 but also, much less positively, the progressive implementation of welfare cuts and freezes that have already done so much to exacerbate the country's homelessness problems. In particular, far from easing off, it is clear that concerns about the homelessness impacts of the Local Housing Allowance limits and the roll-out of Universal Credit are continuing to intensify. Those impacts are accentuated by the historically low levels of social sector lettings. However, viewed with respect to the period since the Monitor series commenced in 2011, the profile and energy now being given to homelessness as an acknowledged 'national crisis' in England is certainly unprecedented. We look forward to tracking the full range of economic and policy developments affecting homeless people and those at risk of homelessness over the coming year and beyond, until the end of the current Monitor series in 2020.

Introduction

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 recovery, and also the impact of policy changes implemented under the Conservative-Liberal Democrat Coalition Government (2010-2015), and the post May 2015 Conservative Governments under Prime Ministers David Cameron and then Theresa May.

This seventh annual report provides an account of how homelessness stands in England in 2018 (or as close to 2018 as data availability will allow), and analyses key trends in the period running up to 2018. 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.¹⁷ 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.

1.3 Research methods

Four main methods have been employed in this longitudinal study:

¹⁷ See <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

- 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 12 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 fourth year in a row we have conducted a bespoke online survey of England's 326 local authorities (in Autumn 2017). 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. In all, 57 per cent of all local authorities in England submitted full responses to the survey – the response rate has climbed every year since we started 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.¹⁸

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.

¹⁸ 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. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2017, 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.

Each edition of the Monitor adopts a particular theme, and this year we have elected to pursue a twin focus on the major policy development of the year, which is the passage of the Homelessness Reduction Act 2017 (HRA), and the major statistical trend, which relates to the growing numbers sleeping rough across England.

Economic factors

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.

2.2 The broader economic context

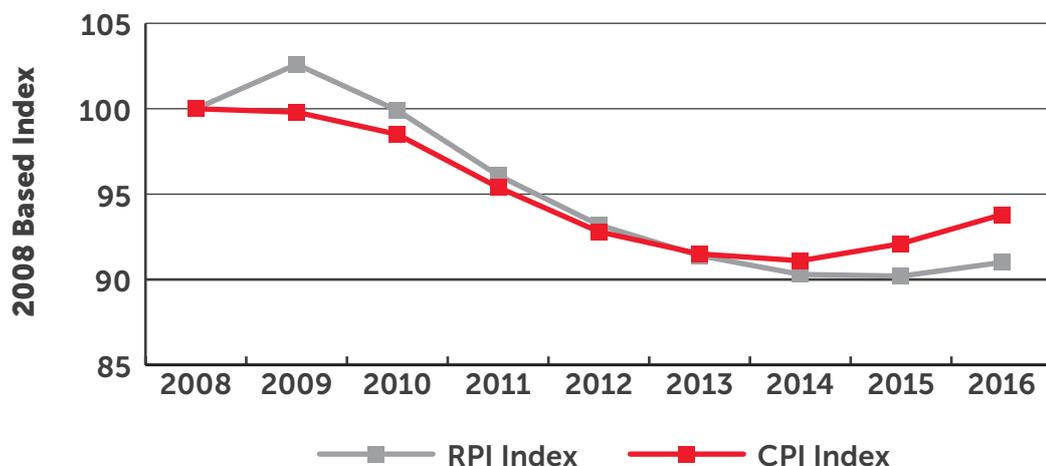
While the UK gradual economic recovery continued through into 2017, after the longest economic downturn for over a century, the uncertainty created by the referendum vote in favour of leaving the European Union is beginning to take its toll. The latest Office of Budget Responsibility (OBR) forecast estimated growth of just 1.5 per cent in 2017, with growth rates of just 1.4 per cent in 2018, and 1.3 per cent in the two following years.¹⁹ 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 Budget.²⁰ The unemployment rate (on the Labour Force Survey (LFS) measure) is forecast to fall to 4.3 per cent in 2018, before rising slightly to 4.6 per cent in each of the three years from 2020.

If, however, the forecast impact on unemployment is rather muted, the forecast for levels of real earnings is less comfortable. Despite a modest return to positive wage growth in 2015 and 2016 (when measured against the Consumer Price Index) in real terms English full time earnings remain 6.2 per cent lower than in 2008 (measured against CPI), or 9.0 per cent lower when measured against the Retail Price Index measure of inflation. The latest OBR forecast is for average real earnings to continue to fall in 2017 and 2018, before rising by an average of just 0.8 per cent a year over the four

19 Office for Budget Responsibility (2017) *Economic and Fiscal Out, November 2017*. London: The Stationary Office.

20 HM Treasury (2017) *Autumn Budget 2017*, HC 587, Cm 9362, London: The Stationery Office.

Figure 2.1 English earnings recovery still not in sight

Source: ASHE Full Time Earnings Growth after Inflation (CPI & RPI measures)

years to 2022 (against CPI). This would still leave real full-time earnings some 3.6 per cent lower in real terms (against CPI) than in 2008 (see Figure 2.1).

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 Autumn Budget will add to government spending by some £17.8 billion over four years to 2022; an annual average increase of less than 0.5 per cent. This will see overall government spending increase by 13 per cent by 2022, but in real terms this represents a continuing freeze in spending with CPI forecast to rise to the same extent over those years. The Autumn Budget, and some earlier government announcements, included some important provisions in respect of both private and social sector housing. These are discussed below.

2.3 Housing demand and supply

Despite a substantial increase in net housing supply in England in 2016/17, concerns remain about the shortfall 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 (see below).

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 2024.²¹ 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 2016 population projections assume that the UK inward net migration will decline to a long-term annual rate of 165,000; 20,000 lower than assumed in the 2014 population projections on which the 2014 English household projections are based.

In practice, net inward UK migration fell from 336,000 in the years to June

21 Department for Communities and Local Government (2016) *2014-based Household Projections: England, 2014 – 2039*, London: DCLG.

2015 and June 2016, to just 230,000 by June 2017.²² Despite this fall it is still quite some way above the level of the long-term assumptions underpinning the population and household projections.

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. Far more is required if provision is to be made for vacant dwellings, second homes, and scope to reduce the numbers of concealed and sharing households.

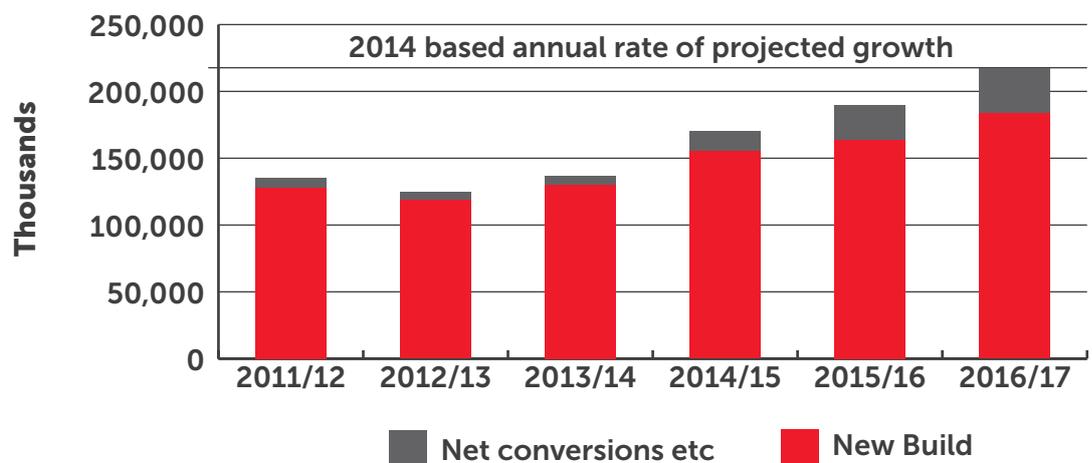
There was a further welcome rise in the level of new house building in 2016/17, and continued growth in the contribution from dwellings created through conversions and changes of use (Figure 2.2). This follows from amendments to permitted

development rights in 2013 that made it easier to change buildings, such as offices, to residential use.

While the underlying improvement in the provision of new private sector housing is encouraging, the overall rate of new housing provision was still some 10,000 short of the level required to just keep pace with projected new household formation (see Figure 2.2).²³ New build figures for the first half of 2017/18 are some 7,000 up on the first half of 2016/17, and the new affordable housing funding and other measures announced in the 2017 Autumn Budget (see below) will also be helpful.

Even though there does therefore now seem to be some prospect that net additions to the housing stock will rise to match projected household growth this year, the Government's new target of achieving 300,000 annual additions to the housing stock by the end of the current Parliamentary term still looks rather hopeful.

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



Source: Net supply of housing: 2016-17, England, DCLG. Net conversions etc includes net impacts of changes of use and demolitions of residential dwellings.

²² Office for National Statistics (2017) *Long-term International Migration Statistics*, London: Office for National Statistics.

²³ Department for Communities and Local Government (2017) *Net supply of Housing: 2016-17 England*, London: DCLG.

2.4 Access to home ownership

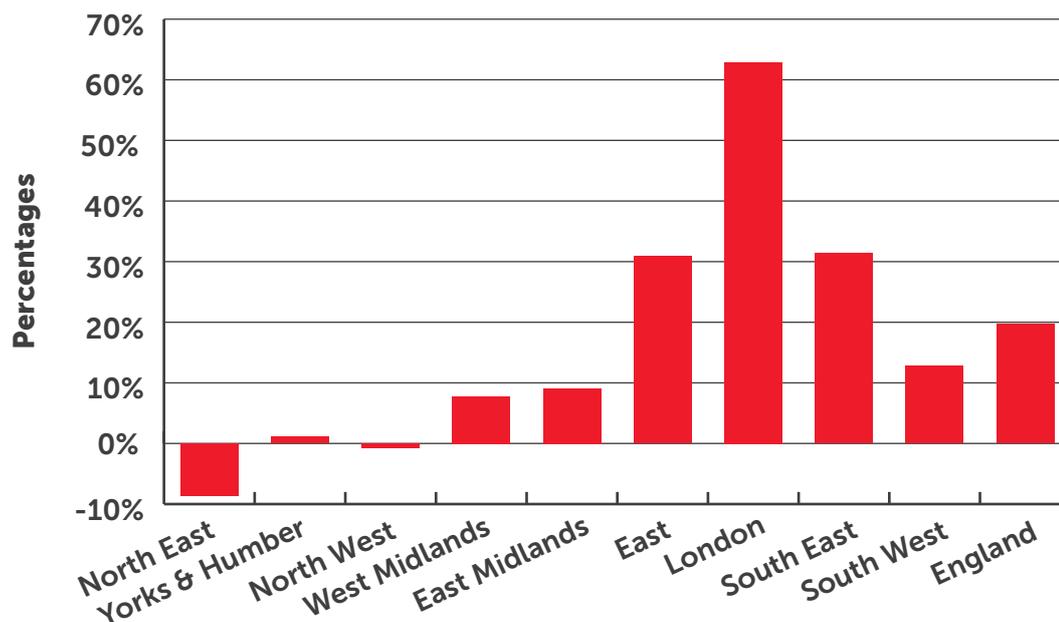
The ONS UK House Price Index provides a fully mix adjusted house price series, that allows an accurate measure of the movements in house prices, that are not biased by changes in the mix of dwellings sold from one year to another.²⁴ The new data series does show that average English house prices did recover to 2007 levels during 2014, and by 2016 they were virtually 20 per cent higher. The post 2017 rise in prices has been particularly sharp in London but the recovery was very uneven across the country. House prices in London have risen sharply since 2007, where they were 63 per cent higher by 2016.

However, as can be seen from Figure 2.3 the recovery in house prices was far more limited in other parts of England, and house prices in two of the three northern regions were still below 2007 levels nine years later. It should also be noted that average mortgage interest payment rates fell

by a third between 2007 and 2016, so that it is only in London that mortgage costs are higher than they were in 2016. Indeed, even after allowing for the average 12.5 per cent increase in average full-time earnings in London, this still means that average mortgage cost to earnings ratios in London were far higher in 2016 than was the case in 2007. However, in this respect London is quite unique. In all other regions, and especially outside of the south of England, mortgage cost to earnings ratios were much lower than in 2007.

If there is little doubt that the Government's Help to Buy (HtB) policies have supported the effective demand for new build dwellings, there are also concerns that it has inflated the prices of new build dwellings. Indeed, given the high proportion of new dwelling purchases supported by HtB it would be surprising if there was not some price effect; but it is only in 2007 that the difference between new build and second-hand prices has risen

Figure 2.3 Percentage change in house prices between 2007 and 2016



Source: ONS Mix Adjusted Prices

24 Office for National Statistics (2017) *House Price Index: October 2017*, London: Office for National Statistics., and related data series.

(by some 3%) above the level of the average over the decade to 2007.

Nonetheless while the various HtB measures have improved levels of access to mortgage finance for households with only a limited deposit, minimum deposit requirements are still higher (as a proportion of the purchase price) than they were at any time over the three decades before the credit crunch.

As well as the deposit constraint in recent years first time buyers have also been at competitive disadvantage compared to buy to let (BTL) investors, based both on their access to capital as well as interest only rather than the more costly repayment mortgages now almost universally required of first time buyers.

However, that competitive advantage has now been dampened, both by the tax changes for private landlords

(restricting repairs allowances and limiting mortgage interest tax relief to the basic rate of income tax, and increasing Stamp Duty for BTL purchasers by 3%), and the 2017 Autumn Budget decision to abolish Stamp Duty for first time buyers on the first £300,000 of all properties purchased with a maximum value of £500,000. It will be some time before the combined impact of these measures on the future balance between home ownership and private renting becomes clear.

As discussed in Chapter 4, mortgage repossessions continue to account for only a very small proportion of all statutory homelessness cases (less than 1%). This is in part because the combined impact of low interest rates and lender forbearance have held down both levels of the mortgage arrears, and the numbers of arrears cases resulting in repossession, since the 2007 downturn (see Figure 2.4).

Figure 2.4 Mortgage arrears and repossessions continue to fall

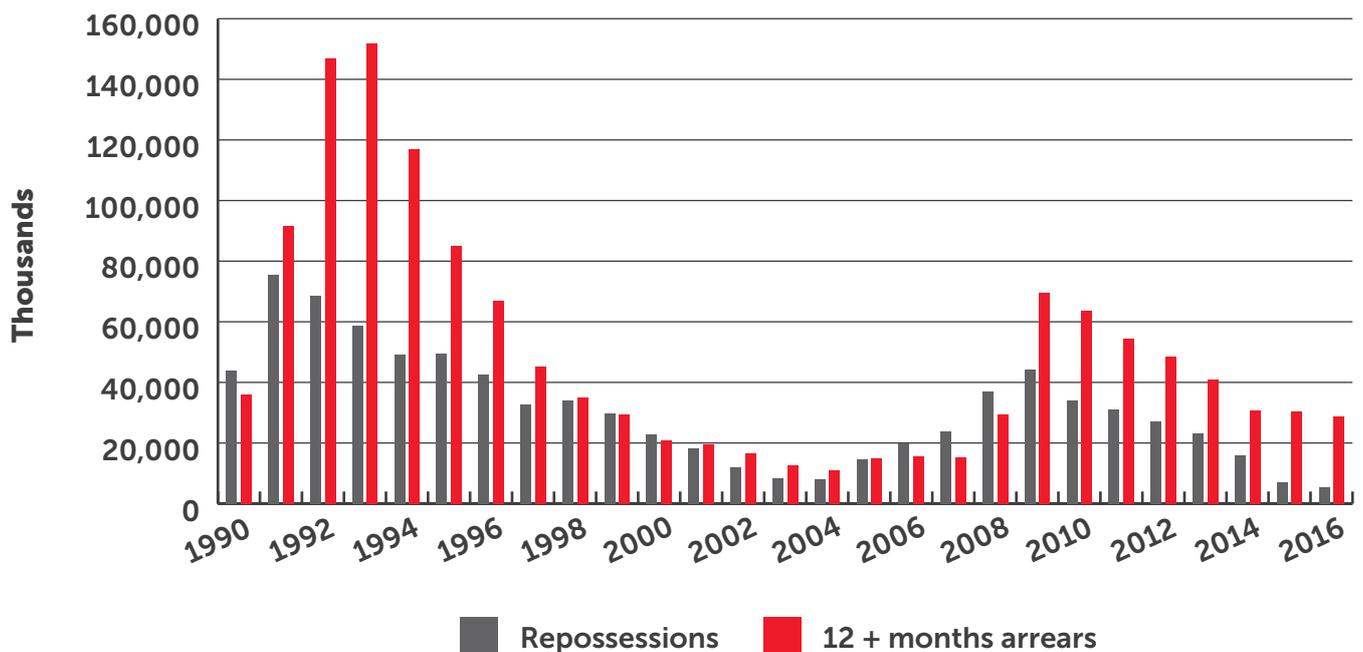
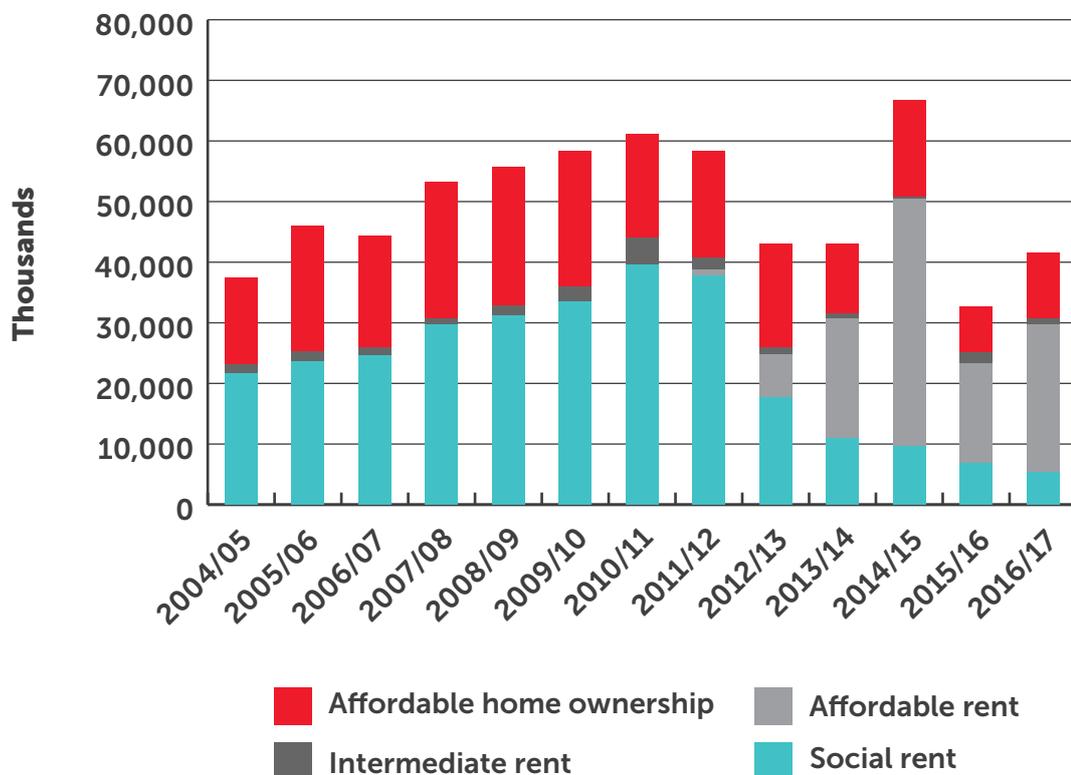


Figure 2.5 Slight recovery in supply of affordable housing

Source: Affordable Housing Supply: April 2016 to March 2017 England, Housing Statistical Release, Department for Communities and Local Government.

While court orders and repossessions fell sharply to historically low levels in 2016, the number of mortgagees with arrears of 12 months or more only fell 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 mortgage repossession figures from 2006 now relate exclusively to owner occupiers and exclude repossessions of properties financed with BTL mortgages.

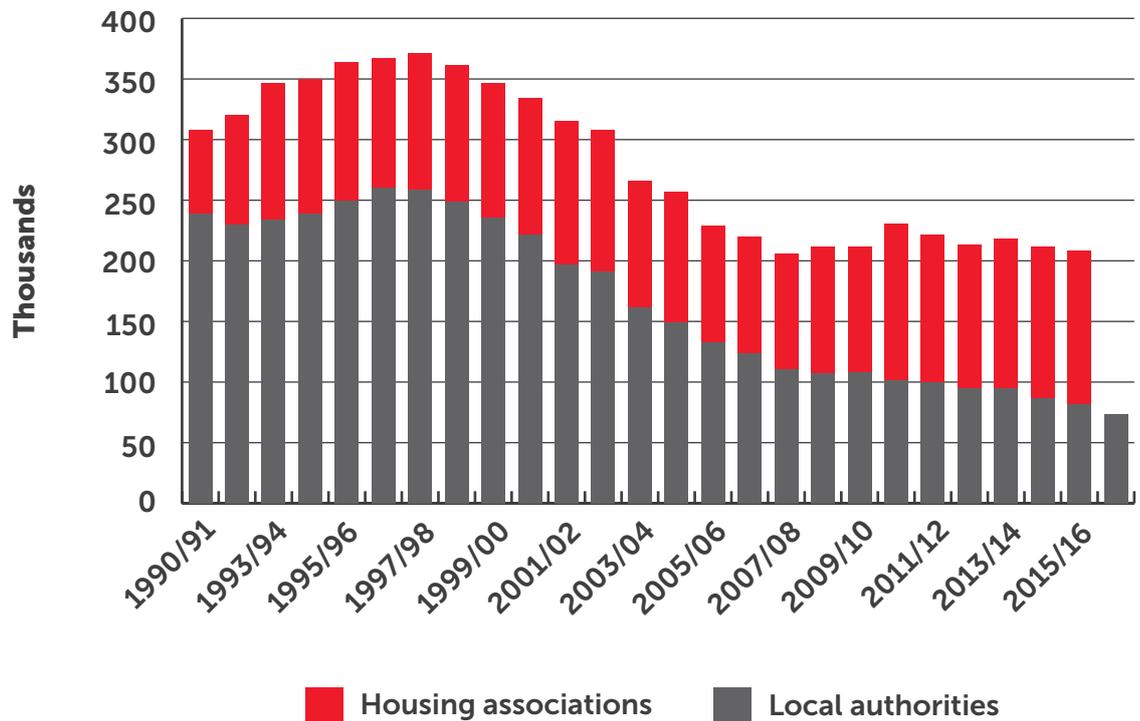
There is a continuing risk, however, that the mortgage repossessions could increase if and when higher interest rates begin to bear down on marginal homeowners, given the limitations of the home owner safety net. Lender forbearance will be further tested by the government reform to the current

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 2.5).

Despite the slight upturn in the level of new affordable housing completions, the annual levels of new social sector

Figure 2.6 Social sector lettings to new tenants much lower than in the 1990s

Source: UK Housing Review 2017, Table 102

lettings fell sharply in 2016/17, by 11 per cent, continuing the fall from the previous two years (see Figure 2.6).²⁵ This is in part a delayed response to the sharp fall in new completions in 2015/16, and in part the long-term impact of right to buy sales in previous decades continuing to impact negatively on levels of relets.

Looking ahead, while social landlords' investment capacity will continue to be constrained by the rent reduction policy that currently remains in place, those constraints have been eased by the government announcements that social sector rents will resume annual increases of CPI + 1 per cent from April 2020, and that the Local Housing Allowance (LHA) limits will not, as previously planned, be applied to Housing Benefit (HB) claims in the social rented sector.

Following the recent announcement of an additional £2 billion to be added to the English affordable housing budget (confirmed by the Autumn Budget, that budget is now set to increase to an average of £1.8 billion a year (for the five years from 2016/17), up from just £544 million in 2015/16; with the further addition of £620 million additional permitted council borrowing in the last two of those years.

While this investment should lead to a marked increase in the numbers of new social sector dwellings being added to the stock, and build on the upturn in new starts in 2016/17, it is not clear that the investment will be sufficient to increase total output over the five years to 2020 to meet the governments' own target of 250,000 new affordable homes. It should also be noted that there are higher target figures provided by independent

²⁵ Ministry of Housing, Communities and Local Government (2018) *Social Housing Lettings: April 2016 to March 2017, England*, Online: MHCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/677489/Social_housing_lettings_in_England_2016-17.pdf

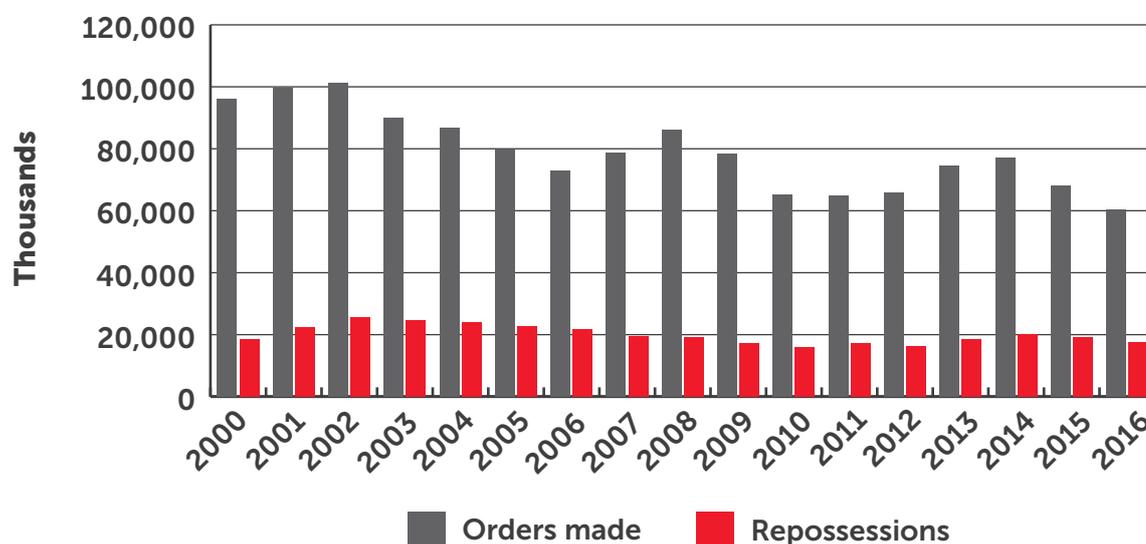
sources, including most recently an analysis by Savills suggesting a an annual requirement of close to a 100,000 new affordable homes a year for households that could not secure market housing without housing costs in excess of 25 per cent of their gross incomes.²⁶

Moreover, the future increase in new supply will continue to be partially offset by the impact of right to buy sales (over 13,000 in 2016/17), and the total levels of lettings available to new tenants are set to remain at historically low levels.

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.²⁷ While there is clear evidence that the 'Bedroom Tax'²⁸ and other welfare reforms have resulted in rent arrears for many of the impacted households, 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.²⁹ There was, however, a marked upturn in levels of social landlord possession actions in England in 2013 (see Figure 2.7), 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.

Figure 2.7 Social landlord possession orders and repossessions in England ease further back in 2016



Source: Mortgage and Landlord Possession Statistics in England and Wales. Ministry of Justice. Court orders are made, repossessions are by county court bailiffs.

- 26 Savills (2017) Investing to solve the housing crisis, Online: Savills. <http://pdf.euro.savills.co.uk/uk/spotlight-on/spotlight-investing-to-solve-the-housing-crisis.pdf>.
- 27 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. And Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.
- 28 Officially this measure is known as the 'Spare Room Subsidy limit', but outside of government it is almost universally referred to as the 'Bedroom Tax'. While neither term is entirely satisfactory we have here bowed to the majority usage.
- 29 Homes and Communities Agency (2017) *Quarterly Survey of Private Registered Providers, (July to September) 2017*. London: HCA. For a discussion of the impact of the Bedroom Tax see last year's edition of this Monitor.

As reported in Chapter 4, the great majority of local authority (LA) respondents in this year's online survey reported growing homelessness pressures in their area. However, when asked whether rising rates of social landlord evictions were contributing to these pressures only 17 per cent of LAs reported this to be the case, with 8 per cent actually reporting a reduction in the importance of social sector evictions as a cause of homelessness (see Appendix 2, Table 3). In the minority of LAs where observed, the trend of increased social landlord evictions was seen as largely resulting from the growing incidence of arrears triggered by benefit cuts (see Chapter 3). There were just a few instances where respondents believed that rising rates of social landlord evictions reflected change in housing management policy:

"A number of social landlords have lowered thresholds before court action would commence for rent arrears."

LA respondent, the North, 2017

"Benefit reductions and a more 'business-like' focus from Housing Providers – paying more attention to the arrears book than the humane side of social housing."

LA respondent, the South, 2017

The much bigger homelessness-related concern continues to be access to the social rented sector in the first place (i.e. overall supply and allocations policies), rather than ejection from it (i.e. arrears and evictions policies). In all, 70 per cent of LAs across England reported difficulties in accessing social tenancies to help prevent or resolve homelessness in their area (64% did so last year). This also continues to be

a highly regionalised picture, with 80 per cent of London Boroughs reported that access to social housing for their homeless clients was 'very' difficult, as compared with 2 per cent of Northern LA respondents.

Comments made by our key informants and LA respondents, and recent research by Chartered Institute of Housing/Sheffield University,³⁰ indicate that this squeeze on access to the social rented sector cannot be fully explained by the downward trend in lettings noted above. Instead, the growing emphasis placed by social landlords on pre-allocation affordability tests, and an increased reluctance to accommodate those with complex needs, is also strongly implicated and relate in turn to the welfare reforms and cuts in LA budgets discussed in the next chapter.

There is also statistical support for this analysis. While statutory homelessness has sharply increased in England in recent years (see Chapter 4), a declining proportion of the (diminishing pool) of new social lettings has been made to statutory homeless households since 2008, with the overall proportion of general needs lettings to new tenants being accounted for by these households falling from over a quarter to approximately one fifth in the following years.

2.6 Access to private rented housing

The private rented sector (PRS) continued to grow in 2016 (to just over a fifth of the English housing stock), 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 much slower rate. However, in recent years there has been a decline in the numbers of low income households able to access the sector with the

30 Greaves, F. (2017) *Tackling Homelessness Together: The importance of local authorities and housing associations working in partnership*, Online: The University of Sheffield, Chartered Institute of Housing. https://www.sheffield.ac.uk/polopoly_fs/1.731754!/file/TacklingHomelessnessTogether2.pdf

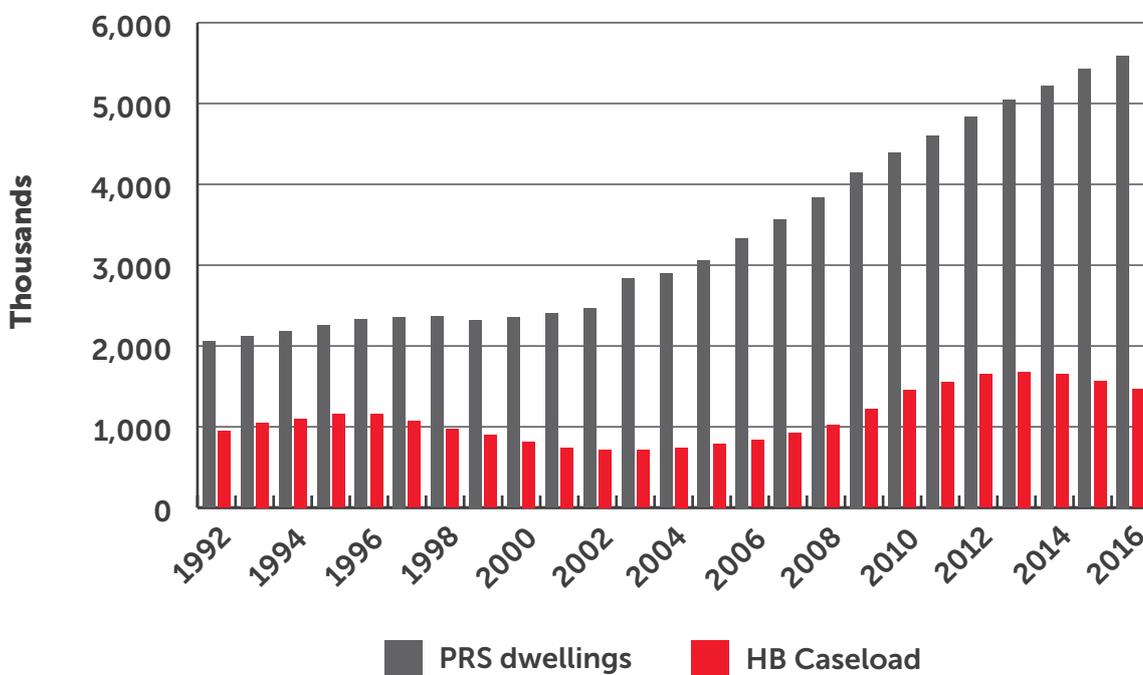
assistance of HB (or the housing allowance element of Universal Credit (UC)) (see Figure 2.8). This is related to the welfare reforms discussed in detail in the following chapter, but for now it is worth noting that this trend of diminished access has been most dramatic in inner London, with one LA respondent from a relevant Borough commenting:

“[Private renters] claiming Housing Benefit or Universal Credit [have] shrunk in [LA] from slightly above 5,000 households to less than 3,000 households in the last four years. It is anticipated that in the next three years no household will be living in the private rented sector and

**claiming Universal Credit.”
LA respondent, London, 2017**

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, and 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.³¹ A subsequent Institute for Fiscal Studies report has shown that the LHA and other benefit reforms have substantially increased the proportion of tenants in receipt of HB that does not fully cover their rent.³² Inherent in the trend towards higher housing cost to income ratios are greater risks for the security of

Figure 2.8 Growth of private rented sector continues; while benefit household numbers fall



Source: Data for Great Britain (estimated HB figures for 2008). DCLG for stock data; DWP website for HB & UC data. Note HB numbers include UC Cases.

31 Clarke, S., Corlett, A. & Judge, L. (2016) *The Housing Headwind: The impact of rising housing costs on UK living standards*. London: Resolution Foundation.
 32 Joyce, R, Mitchell, M, & Norris Keiller, A (2017) *The cost housing for low-income renters*. Institute for Fiscal Studies..

households that suffer an adverse change of circumstances and potentially widens the threat of homelessness. 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 and potentially widens the threat of homelessness.

As discussed in Chapter 3 and 4, rapidly rising homelessness due to loss of private tenancies has been by far the most prominent statutory homelessness trend in recent years, and this was much commented on by both respondents to this year's online survey and our key informants. On a long view – looking back to the beginning of the century – the loss of a private tenancy as a reason for homelessness was proportionate to the (growing) size of the PRS. However, statutory homelessness numbers fell sharply across the board in the years to 2009, largely as a consequence of 'Housing Options' homeless prevention measures. Since then levels of statutory homelessness have risen, and the numbers made homeless due to the loss of a private tenancy have quadrupled, accounting for the great bulk of the increase in overall homelessness numbers since 2010.³³ Most of that rise occurred after 2011, and the advent of the LHA reforms (see Chapter 3).

Some of our respondents referred to growing numbers of landlords selling formerly rented properties as a contributory factor – e.g. 'to cash in on rising house prices'. Far larger numbers, however, reported the growing displacement of low income tenants in pressured markets due to their declining ability to compete with higher income groups, especially due to progressively tightening LHA restrictions discussed in detail in Chapter 3.³⁴

“Landlords have been able to achieve higher rents than LHA levels and have evicted their tenants.”

LA respondent, London, 2017

“Frozen LHA [results in] private landlords moving into more lucrative and financially stable renting models e.g. specified supported exempt accommodation or renting to professionals, students or other rental niches.”

LA respondent, the Midlands, 2017

“Many landlords are serving notice to end a tenancy as they know they can attain a higher rent by reletting to a professional working. The rental costs in this district are almost double the LHA rate in many cases.”

LA respondent, the South, 2017

2.7 Key points

- While the UK economy has now clearly recovered from the credit crunch, future prospects have been dampened by uncertainty following the referendum vote for the UK to leave the EU. Although unemployment has been falling so have average real earnings - and they are not now forecast to return to 2007 levels until well into the next decade.
- There has been some housing market recovery, especially in London, but in two northern regions house prices in 2016 remained below 2007 levels. Once the lower interest rates and modest levels of

³³ National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

³⁴ See also *ibid.*

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 2016. However, in London, which has seen an exceptional level house price growth since 2007, affordability pressures are now greater than they were a decade ago.

- The capacity of the social rented sector to meet housing needs will continue to be tested in the years ahead, despite the Government's injection of new funds to increase the supply of new affordable housing from 2017/18. There is growing evidence of a squeeze on homeless households' access to social tenancies, arising not only from the pressure on the highly diminished pool of lettings available, but also increased landlord anxieties about lending to benefit-reliant households and those with complex needs.
- 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. 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. For now, there is little evidence that social sector evictions are contributing in any significant way to homelessness pressures.
- In sharp contrast, ejection from private tenancies has dramatically increased in importance as a cause of statutory homelessness in recent years, with most commentators attributing this to the growing gap between market rents and frozen LHA rates. Despite the continued growth in the overall size of the private rental sector, the numbers of benefit claimants able to access the sector has continued to fall.
- 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, and potentially widens the threat of homelessness.

Government policies

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 those experiencing or vulnerable to homelessness, particularly in the fields of housing, homelessness, and welfare. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter are evident in trends in national datasets.

3.2 Homelessness policies Homelessness Reduction Act 2017

Undoubtedly the single most notable homelessness-specific policy development over the past year was the passage of the HRA, due to come into force in April 2018. As was discussed in last year's Monitor,

the origins of the Act 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 Drawing inspiration from the Housing (Wales) Act (2014)³⁶, which introduced robust prevention and relief duties owed to all eligible households which are homeless or at risk, regardless of priority need status, the Panel's main recommendations were taken up in a Private Members Bill sponsored by Conservative backbench MP, Bob Blackman. Over the course of 2016 Blackman's Bill won the support of the Communities and Local Government Select Committee, and later the Government, as well as both Houses of Parliament, receiving Royal Assent a whisker before the fall of Parliament in late April 2017.

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 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. Watts, B. & Wood, J. (2017) *The Homelessness Monitor: Wales 2017*. London: Crisis. See also: Mackie, P. (2015) 'Homelessness prevention and the Welsh legal duty: lessons for international policies', *Housing Studies*, 30(1), 40-59.

The HRA's central provision involves 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. Both these prevention and relief duties will apply regardless of priority need or intentionality status. The Act 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 agree, and keep under review, a 'personalised housing plan' with each eligible applicant; and new duties on public authorities to make referrals to the 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 also has the power to issue codes of practice in relation to the performance of their homelessness duties by some or all local authorities.

The Act was universally supported by voluntary, statutory and independent sector key informants interviewed this year. This voluntary sector representative spoke for many in saying that the key strengths of the new legislation included:

"...bringing the prevention and relief activity that currently happens on a non-statutory footing... [onto a] statutory basis, and actually having much more rigour about it...a big potential strength in the ability of the Act to bring about a culture change, both in terms of having a less rigid distinction between priority need and non-priority need, and also about having more

opportunities for earlier intervention, and certainly looking at what's happened in Wales, you would hope that the Act will get it to a place where the entire process of going to a council becomes much less adversarial, and much more about how can the council work with someone to resolve their situation."

LAs and other stakeholders were also said to be broadly satisfied that the final shape of the HRA struck a reasonable balance between different groups and interests:

"... [LAs] grasp... that the purpose [of] the legislation is... to try and do the very best for everyone, and I think [LA staff] themselves are frustrated at the inequality of the legislation as it stands now, that throws single people out with very little help...I think authorities believe the legislation to be fair. I think that's the fundamental word coming across. It's balanced and it's fair and they do intend to do their very best [to deliver it]."
Independent key informant, 2017

Encouragingly, comments from some key informants also suggested that, far from LA attitudes to the HRA hardening over time, initial scepticism was giving way to a firming up of support:

"...when it first came obvious that the legislation was coming in there seemed to be real opposition on the part of local authorities...they did not think

they had the resources to deliver it. That seems to have diminished, people are now more positive, and there isn't that blind panic that you were seeing."

Voluntary sector key informant, 2017

There was, however, an important regional dimension to LA attitudes to the new legislation, as identified by this key informant:

"The further north you go, the more relaxed people are about it... Those in the north are saying... 'Ethically and morally, the HRA is the right thing, and we've got enough houses to give everybody... But we've still got no money to give anybody support'. Whereas the people in the south would say, 'Well, we've got no money to give any support, and we've not got any houses, so, yes, sure, we can give more advice, we can give more help to homeless people, but we've got no more houses, and we've still not got any money for support'... The Act is absolutely the right thing to do... but, the simple fact is, there is still an issue with housing supply and affordability... and there's still the primary driver of homelessness, which is, of course, poverty."

Independent key informant, 2017

While highly supportive of the legislation, almost all key informants laid emphasis on the extraordinarily

difficult structural context within which it was being introduced:

"I think the worry is that the Act fundamentally... or largely can't address some of the fundamental issues on why homelessness is happening. We've still got massive issues with supply... the support services are still massively under-resourced locally... So the Act in itself can't magic up solutions overnight."

Voluntary sector key informant, 2017

However, an interesting perspective on the interaction between the HRA and the structural context was offered by this independent key informant:

"This legislation and the framework will outlive the current problems of the housing market and welfare reforms. The government has to roll back some of the changes to welfare reform. The government has to amend Universal Credit and take out the worst excesses within it. The government has to make decisions to go back to building affordable social rented housing. As those fundamental building blocks of the housing market change then that will be better for the effectiveness of the Homelessness Reduction Act... Even if it's not as successful in its first year, two years, three years, it's still the right framework, and any impact of its not being as successful as it

could be will not be the fault of the legislation.”

As with the key informant interviews, the LA survey revealed a groundswell of support for the principles underlying the new legislation, again tempered by concern about the broader implementation context:

“Generally we are happy that we will have duties to more homeless people, particularly to prevent and relief, but concerned because there are no additional housing options to offer and the pressure will increase.”

LA respondent, the North, 2017

The LA survey included a number of questions on the expected effects of the new regime for specified applicant cohorts. As expected, single people form the group most often thought likely to benefit from the new legal framework. Two thirds of respondents (65%) thought that the change would be to the advantage of this group. Albeit somewhat fewer, half of respondents (50%) believed that the new regime would benefit rough sleepers, and 43 per cent perceived that it would enhance the help given to families with children. Very few LA respondents saw the legislative changes as likely to damage the prospects of any of these homeless groups (see Appendix 2, Table 7). However, from the key informant side, there were several expressions of disappointment that the proposed emergency accommodation duty for those with ‘nowhere safe to stay’ had been dropped, and this meant that the Act would do less to benefit rough sleepers that might otherwise have been the case:

“...the Homelessness Reduction Act won’t stop people sleeping

rough. If they’ve got nowhere to go on that night local authorities can still turn them away and they still will end up sleeping rough. So we’ve still got a hole in the legislation in terms of protecting people... People will still end up on the streets even when they’ve asked for help from the local authority, but we’re hoping it should prevent more people ending up in that situation in the first place.”

Voluntary sector key informant, 2017

Just over a third of LA respondents (36%) saw the HRA regime as likely to ‘work particularly well’ in their authority. Commenting further on this judgement, a number of significant themes came through. Firstly, there was the view that the new framework was welcome mainly as a codification of existing practice:

“We already do prevention and relief work the only difference we can see is that it is now a legal process.”

LA respondent, the Midlands, 2017

“We already work with households ... to prevent homelessness at the earliest possible stage, therefore our staff and internal processes will not have to alter that much to incorporate the new duty.”

LA respondent, London, 2017

Similarly, many others saw the new framework as a modest enhancement, or a way of protecting, current ways of working:

“Personal Housing Plans, we do something like this already but less in-depth.”

LA respondent, the Midlands, 2017

“The new statutory requirements will reinforce the need to invest in [single homelessness] services against competing budget priorities.”

LA respondent, the North, 2017

For another group, the most significant innovation of the new regime was expected to be the stimulus to joint working arising from the ‘duty to refer’ and/or the requirement to develop personal housing plans:

“We very much welcome the duty to refer so that we will be informed of possible presentation at the earliest opportunities which will help us to plan better.”

LA respondent, the North, 2017

“This will serve to strengthen [existing] partnerships and ensure homelessness is on everyone’s agenda.”

LA respondent, the South, 2017)

Finally, there was the group whose positive assessment of the new Act was largely based on a view that Personal Housing Plans would clearly assign greater responsibility to applicants themselves:

“[PHPs will be helpful in] giving people tasks to do and making them responsible for their own development and where they live.”

LA respondent, the Midlands, 2017

“Strengthening the expectation on customers to engage with the prevention process and providing for consequences following non-engagement.”

LA respondent, the South, 2017

At the same time, nearly four fifths (78%) of LA respondents saw the local implementation of the HRA as posing substantial challenges. Overall, most of these fell into two categories – those relating to the availability of affordable rehousing options, echoing the key informant comments above, and those concerning the staffing and other resources that would be called for within the LA itself. As far as deficient internal LA capacity was concerned, this was often expressed simply in terms of the overall increase in workload due to a widened range of applicants to whom duties would now be owed:

“Whilst the principles of the Act are reflected in our current practice of prevention rather than crisis and rescue, the services we currently provide will need to be made available to a much wider customer base.”

LA respondent, the Midlands, 2017

“The culture change for staff and managers takes longer than anticipated and the level of training and re-training is enormous.”

LA respondent, London, 2017

Others pointed to the impact of more ambitious expectations on monitoring and record keeping:

“New data requirements will require systems overhaul, especially in terms of

collecting information from multiple departments across the local authority."

LA respondent, the North, 2017

"Far more paperwork involved with every client."

LA respondent, the Midlands, 2017

On the paperwork point specifically, one of our key informants this year took a dim view of 'H-CLIC', the case-level statutory homelessness data collection tool that will replace the P1E statistical return:³⁷

"I think H-CLIC is a disaster, an absolute disaster... local authorities are not even fully aware yet of just how burdensome that requirement will be... I'm not saying that that means P1E was good because it wasn't, and we needed much more information around people's causes of homelessness and their motivations, but have the government got the balance right with H-CLIC? I would say undoubtedly not and I think H-CLIC will be the biggest constraint on local authorities being able to effectively deal with the additional number of cases coming through the door because if you need to take 25 minutes out of an interview to fill out the information requirements, then how much

more time does that take away from actually working with the applicant at the interview to deal with it?"

Independent key informant, 2017

Other we spoke to, however, were much more positive:

"I think it's giving a much richer picture actually of what the local authorities encounter on homelessness. It's very welcome and it will give us a better picture of the journeys I think, of people, which I don't think we know much about at the moment because we don't - you can't really pick that up from the P1E system."

Statutory sector key informant, 2017

"My understanding is DCLG have been quite responsive in terms of taking on feedback around [H-CLIC]... DCLG know that there is a need for better data on what it is that's causing homelessness and why people aren't able to resolve it themselves."

Voluntary sector key informant, 2017

The draft new Homelessness Code of Guidance³⁸ received a largely warm reception from our key informants:

"Overall it is actually looking really good, it has to be said...the guidance is about

37 Department for Communities and Local Government (DATE) *DCLG Homelessness Statistics User Forum*, Online: DCLG. <https://gss.civilservice.gov.uk/statistics/working-with-users/dclg-homelessness-statistics-user-forum/>

38 Ministry of Housing, Communities and Local Government (2017) *Homelessness code of guidance for local authorities*, Online: MHCLG. <https://www.gov.uk/government/consultations/homelessness-code-of-guidance-for-local-authorities>

how the law should work, I think still the overriding background concern is still that issue around supply and affordability, but the guidance itself is actually pretty good.”
Voluntary sector key informant, 2017

“I think it’s pretty good, actually. I’ve got no problems with it at all. I think it strikes the right balance. I think the Welsh code of guidance is too prescriptive, there’s too much in it... The Code of Guidance in Wales ended up being a mixture of good practice and explaining the law and I think the English code... isn’t trying to be something it’s not meant to be. It’s not trying to be good practice.”
Independent key informant, 2017

Another independent key informant, however, took a quite contrary view:

“[The Code] should do more than simply repeat the law in plain English, which is pretty much what the current, or the proposed Code of Guidance does... it’s very, very thin.”
Independent key informant, 2017

For others, though, this detail on practice is better dealt with in what is hoped to be a forthcoming Code of Practice:

“...the ‘reasonable steps’ should be in the Code of Practice. So if you’re asking me should the Government look to issue a Code of Practice shortly after the Code of Guidance, the answer would be yes... the Code of Guidance shouldn’t be full of things which are not relevant for the Code of Guidance.”

Independent key informant, 2017

A review of some of the key submissions made to the consultation on the draft Code, and comments from the Community and Local Government Select Committee,³⁹ indicated that many of the suggested changes to the Code related to matter of ‘tone’ in order to maximise positive culture in keeping with the ‘spirit’ of the legislation.⁴⁰ One specific area of concern, however, related to the ‘affordability’ of housing offered in discharge of duty, whereby, according to Shelter and others, the current draft Code had the effect of “*eroding the principle that subsistence benefits should not be expected to cover housing costs.*”⁴¹ Under the last Code of Guidance, LAs were instructed to ensure that applicants’ post housing costs residual income did not fall below income support levels. However, the draft new Code simply instructed LAs to:

39 Betts, C. *Letter from Chair to Secretary of State re: Draft Homelessness Code of Guidance*, Online: Communities and Local Government Select Committee. [http://www.parliament.uk/documents/commons-committees/communities-and-local-government/Letter-from-the-Chair-to-Secretary-of-State-\(DCLG\)-relating-to-Draft-Homelessness-Code-of-Guidance-11-December-2017.pdf](http://www.parliament.uk/documents/commons-committees/communities-and-local-government/Letter-from-the-Chair-to-Secretary-of-State-(DCLG)-relating-to-Draft-Homelessness-Code-of-Guidance-11-December-2017.pdf)

40 Crisis (2017) *Written evidence on the Homelessness Code of Guidance for the CLG Select Committee*, Online: Communities and Local Government Select Committee. <http://www.parliament.uk/documents/commons-committees/communities-and-local-government/Crisis%E2%80%99-written-evidence-on-the-Homelessness-Code-of-Guidance-for-the-CLG-Select-Committee-12-December-2017.pdf>

41 Shelter (2017) *Consultation response on the Homelessness Code of Guidance for Local Authorities*, Online: Shelter. http://england.shelter.org.uk/_data/assets/pdf_file/0007/1474288/2017_12_11_Shelter_response_to_draft_Homelessness_Code_of_Guidance_December_2017_FINAL.pdf (p9)

“consider whether the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials specific to their circumstances.”

para 17.45⁴²

This drafting implied that only in circumstances where housing costs would reduce applicants to absolute destitution⁴³ should a property be considered unaffordable to them.⁴⁴

Another key area of comment related to discharge of duty as a result of applicants’ ‘deliberate and unreasonable refusal to cooperate’. Shelter and others have objected that the ‘tone’ in parts of the draft Code suggested a ‘lower bar’ than the very high one provided for in the legislation, and that it was made insufficiently clear at present that discharging duty for this reason should always be a “last resort”.⁴⁵ While Government advice stated that “*those who have difficulty co-operating, for example, because of poor mental health and complex needs*” should not be penalised,⁴⁶ this issue remained an anxiety for some key informants:

“I think there’s definitely concerns that some... people with the most complex needs who exhibit certain behaviours because of trauma or mental health problems, could be

still too easily disregarded or seen as uncooperative, and therefore the local authority kind of says, ‘Well, they’re not cooperating...we’ve done what we can.’... but this is all quite detailed, and really depends on the local authority, I think.”

Voluntary sector key informant, 2017

At the time of writing the Government had just published the updated Code of Guidance which dealt with some of the concerns expressed above. Changes that seem to have been made in response to feedback from the homelessness sector included providing further clarification about what constitutes deliberate and unreasonable refusal to cooperate, further guidance around how to assess whether accommodation is affordable for a household, and more emphasis on the strengthened duty for local authorities to provide free advice and information about preventing homelessness for every person in their district.

The planned 2018 introduction of the new statutory regime has prompted a great deal of LA activity, both in terms of strategy/policy development and in terms of practical preparations at the operational level. With nearly half of all authorities (44%) reportedly in the process of revising local strategies (or recently having done so), it can be expected that a new wave of these will be implemented during 2018.

42 Department for Communities and Local Government (2017) *Draft Homelessness Code of Guidance for Local Authorities*, Online: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652343/Draft_Homelessness_Code_of_Guidance.pdf

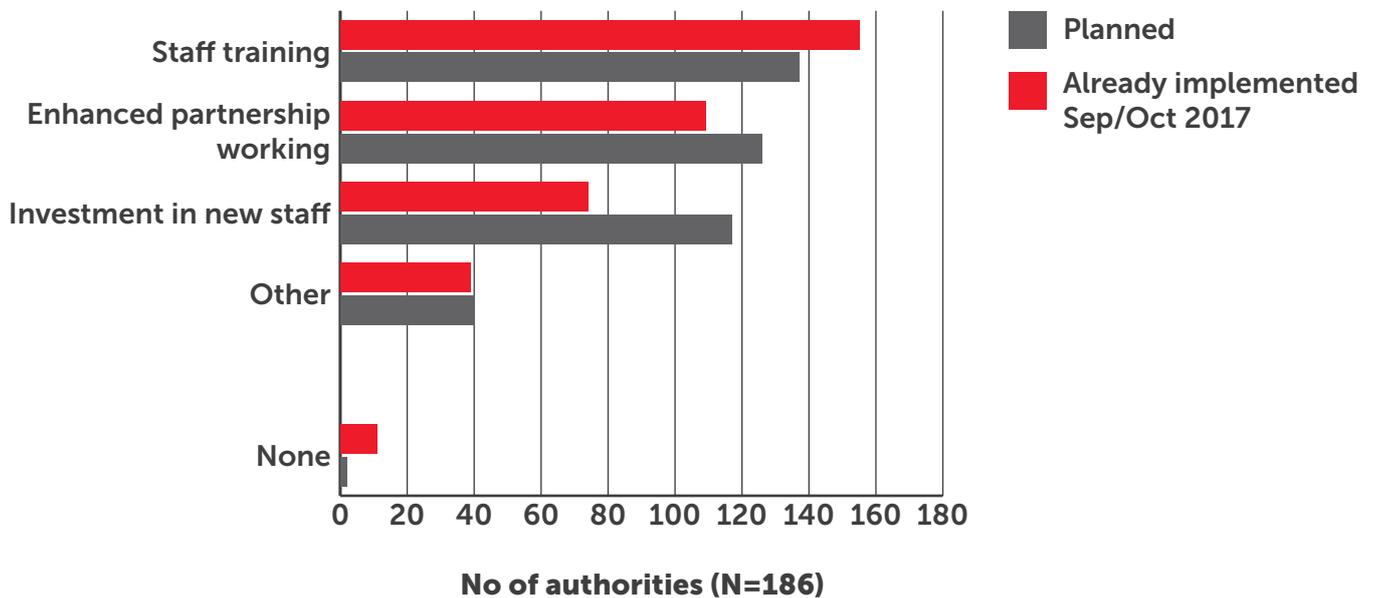
43 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G. & Watts, B. (2016) *Destitution in the UK: Final Report*. York: JRF. <https://www.jrf.org.uk/report/destitution-uk>

44 The research team would like to thank Tim Gray for drawing this point to our attention.

45 Shelter (2017) *Consultation response on the Homelessness Code of Guidance for Local Authorities*, Online: Shelter. http://england.shelter.org.uk/_data/assets/pdf_file/0007/1474288/2017_12_11_Shelter_response_to_draft_Homelessness_Code_of_Guidance_December_2017_FINAL.pdf (p.4)

46 Ministry of Housing, Communities and Local Government & Department for Work and Pensions (2017) *Homelessness Reduction Bill: policy factsheets*, Factsheet 7: Non-Cooperation. (p.1) <https://www.gov.uk/government/publications/homelessness-reduction-bill-policy-factsheets>

Figure 3.1 Local authority preparations for the Homelessness Reduction Act regime



Source: LA survey (see Appendix 2)

At the operational level, well over half of authorities (62%) reported that they had already (in September/October 2017) made changes to their homelessness prevention and relief services in anticipation of the new Act. Most authorities had already invested in staff training on the new regime, while well over a third had already recruited to new posts. As shown in Figure 3.1, many authorities planned further such preparations ahead of HRA implementation in 2018. Other preparations already in place at the time of the survey or planned for the immediate future commonly included staffing restructures and IT upgrades.

Unsurprisingly, the adequacy or otherwise of the 'new burdens' funding of £72.7 million allocated to LAs to implement the HRA drew much comment from our key informants, some of it quite negative:

"...the new burdens funding is not anywhere near enough...I mean, councils really want to implement the Act successfully,

but... if there's not enough money, that's going to, obviously, be very difficult... they're going to have to redesign a lot of their services quite comprehensively, recruit and train new staff, and then also update their IT systems." Statutory sector representative, 2017

However, much of the comment was rather mixed and nuanced, and edged with a sense that the additional funds were possibly more generous than might have been anticipated, and the issues lay more in the method of distribution:

"...the New Burdens money isn't - I mean the proof of the pudding's going to be in the eating but I don't think it's anywhere near enough. You could double it, I don't think that would be enough, but it's

probably a little more in some ways than I was expecting. Still neither here nor there. We've got very low expectations these days."

Statutory sector key informant, 2017

"...the new burdens money combines incredibly importantly with the 'flexible homelessness support grant',⁴⁷ which in effect is another homeless prevention [funding] stream, which is ring-fenced. I think if you combine those two then it is sufficient...Is it a shame that the new burdens money wasn't ring-fenced in the same way as the flexible homeless support grant was?.. Do I have concern it's two years' funding? Yes... Do I think the new burdens funding was fairly distributed? Certainly not... leaving many councils outside of London with a paltry amount of money was an outrageous decision."

Independent key informant, 2017

For most, the fundamental issue was not the new burdens funding itself, but the wider structural context of overall budget cuts to LAs and shortages of affordable housing:

"...that funding is for... the additional duties, physically to carry out the duties for the council, so it doesn't change anything about the access to housing and that really is

what we see is driving a lot of the culture, and a lot of the decision making within councils, it's the knowledge that they have so little housing that does drive a lot of the very adversarial gatekeeping that you see. The new burden funding isn't even attempting to tackle that."

Voluntary sector key informant, 2017)

Another key underlying issue raised was the fact that homelessness 'demand' was rising in any case (see Chapter 4), quite independently of the new legislation:

"Even if the legislation didn't change, more people are becoming homeless, more people are walking through the front door, so, local authority services need more funding anyway to tackle homelessness, but with the new burdens, they also need more on top of that. I think the issue of whether the new burdens funding, is it enough, I think that's a difficult one to authoritatively say yes or no, but, I think, overall, I would say local authorities need more money for tackling homelessness."

Independent key informant, 2017

Other national-level developments

Even leaving aside the HRA and associated developments, the extent to which homelessness has shot up the media and political agenda over

47 This is the replacement for the DWP temporary accommodation management fee, see below.

the past year is remarkable. All of the major party manifestos made mention of homelessness in the snap June 2017 election, and the Conservatives under Theresa May pledged to halve rough sleeping by 2022, and eliminate it altogether by 2027.⁴⁸ Increased publicity given to street deaths and rising public concerns over rough sleepers' vulnerability in cold weather have also contributed to this growing political profile.⁴⁹

One of the most dramatic and potentially impactful interventions at national level was by the National Audit Office (NAO), whose carefully worded but nonetheless damning report on the Government's record on homelessness was published in September 2017.⁵⁰ The NAO confirmed, via their own bespoke analysis, the link between LHA caps and freezes and rising levels of homelessness, particularly given that the great bulk of the increase in statutory homelessness since 2010 is associated with the ending of assured shorthold tenancies. Their account of the causes of homelessness foregrounded associations with: higher local rates of HB-reliant households, certain broad area characteristics (higher in London, larger cities and areas with larger numbers of EU migrants), and less affordable private rented accommodation. They comment:

"The affordability of tenancies is likely to have contributed to the increase in homelessness. Since 2010, the cost of private rented accommodation has increased three times faster than earnings across England. In London, the increase was

eight times...Changes to Local Housing Allowance are likely to have contributed to the affordability of tenancies for those on benefits, and are an element of the increase in homelessness."

NAO, 2017, p.7

The NAO also criticised the lack of an overarching cross-government strategy on homelessness; Department for Communities and Local Government (DCLG)'s 'light touch' approach to working with LAs on the issue, which it points out "contrasts with the more interventionist approach"⁵¹ taken during previous periods of high homelessness; and the fact that the Department for Work and Pensions (DWP) has not evaluated the impact of its welfare reforms on homelessness.

The NAO report was warmly applauded by our key informants:

"I thought it was a very good report... certainly the link that they drew to welfare reform and in particular the LHA changes, I thought was incredibly valuable. I think a lot of what we're seeing is people who tenancies are coming to an end as they always have done in the private rented sector, but whereas people seven years ago would have been able to... find their own tenancy somewhere else, they just cannot find anything which is affordable,

48 Conservatives.com (2017) *The Conservative Party Manifesto*. Online. <https://www.conservatives.com/manifesto>

49 <https://www.theguardian.com/society/2018/feb/28/charities-respond-to-record-number-of-alerts-over-rough-sleeping>

50 National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

51 *ibid.* (p.9)

and certainly I think the NAO report picked that up very, very accurately."

Voluntary sector key informant, 2017

"NAO report is... actually really positive in terms of flagging up how impossibly difficult it is to make any headway on homelessness. It should be shaming for the government to read what they've written, because... it's actually really, really direct... couldn't be any more damning, so I don't know what else can be done, how many reports have to be written like this for government to get its act together."

Statutory sector key informant, 2017

"...the National Audit Office is obviously a non-political body... a neutral body, and their views are quite clear. Local authority cutbacks have driven up homelessness, housing market factors, and the Government's housing policy has driven up homelessness, welfare reforms have driven up homelessness."

Independent key informant, 2017

The NAO report was followed up by an evidence session with the Public Accounts Committee (PAC) for senior

officials from both DCLG and DWP, and a resulting PAC report⁵² which described homelessness as a "national crisis" and denounced the former DCLG's "attitude" to reducing homelessness as "unacceptably complacent". It further commented that:

"The Department is placing great reliance on the Homelessness Reduction Act 2017 to provide the solution to homelessness. While this new legislation will no doubt help, it cannot be successful unless it is matched by a renewed focus across government on tackling the twin issues of both the supply and affordability of decent housing, which underlie the causes of homelessness."⁵³

At the time of writing the Government's formal response to the PAC report is still awaited. While the former DCLG, as the responsible department, was especially criticised by both the NAO and PAC, it is only fair to point out that much of what the Department has been upbraided for arises directly from the political commitment of the Coalition Government to the 'Localisation' agenda:

"Eric Pickles [then Secretary of State for Communities and Local Government] was very clear that everything was about localism and it wasn't the role of government to support, interfere or have anything to do with how local authorities delivered on the ground... That mantra of localism, which has

52 Public Accounts Committee (2017) *Homeless households*, Online. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2017/homeless-households-17-19/>

53 Public Accounts Committee (2017) *Homeless households: Summary*, Online. https://publications.parliament.uk/pa/cm201719/cmselect/cmpublic/462/46203.htm#_idTextAnchor000

its place, localism, but the way it was taken and interpreted by DCLG has been a disaster for homelessness. It means that the structural changes that needed to be put in place to manage and go forward... didn't happen."

Independent key informant, 2017

Adding to this chorus of official criticism over the past year was the Local Government Ombudsman's report synthesizing lessons from the 450 or so complaints they receive about councils' homelessness services each year.⁵⁴ The report focused on poor and unlawful LA practice, and specifically continued use of unsuitable bed and breakfast (B&B) accommodation for families, against the backdrop of worsening structural conditions, especially the increasing costs of private rents:

"It's interesting to note that the Ombudsman was saying that 70 per cent of complaints about homelessness are upheld, compared to 53 per cent of complaints generally, so you've got a position where local authorities are more likely to get it wrong, to get the law wrong, on homelessness, than they are on the [other] matters that they're responsible for, which

kind of comes back to a number of factors. It'll be because there's a lack of housing, but some of it's about management culture, some of it's about a lack of genuine, or wilful, misunderstanding of what the law and guidance says."

Independent key informant, 2017

The Autumn Budget of 2017 was promised to be a 'budget for housing', focused mostly on homeownership. However, it provided three direct commitments in relation to homelessness:⁵⁵

- £28 million to pilots Housing First in three city regions – the West Midlands Combined Authority, Liverpool City Region, and Greater Manchester;
- £20 million for a Private Rental Access Scheme for those at risk of homelessness: and
- (re-)Announcement of the Homelessness Reduction Taskforce (now called the Rough Sleeping and Homelessness Reduction Taskforce). A subsequent press release on 30th November⁵⁶ set out details of a new Rough Sleeping Advisory Panel that will support the Taskforce.

Response to these announcements has largely been positive,⁵⁷ albeit that many parties are concerned that these measures do not go far enough.⁵⁸

54 Local Government and Social Care Ombudsman (2017) *Changing face of homelessness highlighted in the Ombudsman report*, Online. <https://www.lgo.org.uk/information-centre/news/2017/dec/changing-face-of-homelessness-highlighted-in-ombudsman-report>

55 Fitzpatrick, S. (2018) *Bright spot in the budget: UK Government backs Housing First for vulnerable homeless people*, Online: I-SPHERE blog. <https://i-sphere.org/2018/01/10/bright-spot-in-the-budget-uk-government-backs-housing-first-for-vulnerable-homeless-people/>

56 Department for Communities and Local Government (2017) *Government to lead national effort to end rough sleeping*, Online: DCLG. <https://www.gov.uk/government/news/government-to-lead-national-effort-to-end-rough-sleeping>

57 Brice, H. (2017) *Success in the Budget for homelessness*, Online: Crisis. <https://www.crisis.org.uk/about-us/the-crisis-blog/success-in-the-budget-for-homelessness/>

58 Reid, P. (2017) *Budget round-up 2017*. Online: Homeless Link. <http://www.homeless.org.uk/connect/blogs/2017/nov/27/budget-round-up-2017>

Whilst the announcement of the Taskforce has been welcomed,⁵⁹ it has been pointed out that this is not a new announcement but a reiteration of a previous commitment. Both Crisis and Shelter welcomes the PRS access scheme, and Crisis have produced suggested key principles and guidance on 'Help-to-Rent'.⁶⁰ The Government support for Housing First was also broadly welcomed across the sector, though many of our key informants queried the need for further pilots:

"I think we're a little bit past the point of needing a pilot. There is so much evidence to say that [Housing First] works, let's get on with it."

Statutory sector key informant, 2017

"The Housing First investment is welcome, but I think we were frustrated that it's... it's a pilot, because I think we feel we're beyond the pilot phase... but obviously it's welcome that government have made a commitment to it and recognise that it is a valuable response for rough sleepers and people with complex needs."

Voluntary sector key informant, 2017

Others made the point (rightly) that Housing First was an initiative targeted on a small portion of the homeless population, and shouldn't be allowed to distract from the broader structural response needed to tackle rising homelessness:

"Housing First is the answer to a small group of entrenched rough sleepers with complex needs. It's not the answer to everything. That's not knocking Housing First, it really works and it really has its place as part of an overall strategy."

Independent key informant, 2017

"Housing First is a solution for some bits, in a sense, but there's no way it's a solution for our homelessness as a whole...we need a strategy on homelessness from government which is about the problem in the round, and of which Housing First would no doubt play one element."

Voluntary sector key informant, 2017

More broadly, while welcoming these Government commitments, and the slew of critical reports from official bodies on homelessness this year, some key informants remained sceptical as to their potential import:

"I think it's positive that the Government has chosen to take the matter so seriously by assembling the Taskforce, but, again, if that Taskforce can't unwrap some of the issues that are driving up poverty, or creating employment, labour market problems, or creating

59 Ministry of Housing, Communities and Local Government (2018) *Press release: New government backed advisory panel commits to help eradicate rough sleeping*, Online: MHCLG. <https://www.gov.uk/government/news/new-government-backed-advisory-panel-commits-to-help-eradicate-rough-sleeping>

60 Crisis (2017) *Key principles for Help-to-Rent projects*. Online: Crisis. https://www.crisis.org.uk/media/236951/prs_key_principles.pdf

housing market problems, then that Taskforce, again, becomes fairly pointless.”

Independent key informant, 2017

“...the real issue is what will the power be of that group, because... what is the biggest cause of homelessness?

Welfare reform. What is the department responsible for that? The DWP. Where’s the power to make the DWP change some of their policies?.. So it’s all very well having the cross-departmental group and the mix of stakeholders, but where will the power be behind that? ”

Independent key informant, 2017

Others made reference to earlier successes on homelessness, in the 1990s and early 2000s, and how this hinged on strong national leadership:

“... when we’ve tackled homelessness in the past we’ve done it in collaboration between central, local and voluntary sector providers, and we’ve done it with a strong sense of target and a strong sense of direction. The Government, over the last few years, have not had a sense of direction, and a lot of the money that they’ve thrown towards it has been singular funded streams, but with no

sense of coherence across the top of them... What we know from our work around the country is that local areas do look to government for leadership on this stuff.”

Voluntary sector key informant, 2017

“... until you have... a person who is at government level responsible for homelessness and can tell people in DWP that they are doing something else... you... won’t really see anything being unlocked at government level. I use the example of under the Blair government and the Social Exclusion Unit appointing Louise Casey as the tsar. Whether you agree with it or not... it gets [things] done...and we cut rough sleeping by two thirds because somebody [was] allowed - given permission and given authority and power to do it.”

Statutory sector key informant, 2017

City-regional devolution

As discussed in last year’s Monitor, one of the flagship policies of the previous Conservative Government, under David Cameron, that might be expected to impact on homelessness was devolution to city-regions and/or elected mayors, particularly given that a range of mayoral candidates had pledged to tackle homelessness in their area.⁶¹ There has of course been a longer-term London model of mayoral

61 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>

leadership and cross-authority action on homelessness.⁶²

Six mayors were elected in England last May, three of whom have made significant commitments around homelessness. Greater Manchester mayor Andy Burnham has pledged to eradicate rough sleeping across the Combined Authority area by 2020.⁶³ He inherits a situation where, according to official 'snapshot' estimates, the number of rough sleepers rose from 41 in 2009/10 to 268 in 2016/17,⁶⁴ while the total number of LA 'homelessness case actions' more than doubled over the same period (rising by 107%). In the meantime, on his first day as mayor of the West Midlands Combined Authority, Andy Street set out his priority to tackle rough sleeping. He went on to establish a Homelessness Task Force in July 2017 with the aim of 'designing out' all forms of homelessness across the West Midlands.⁶⁵ The official snapshot estimates indicate that rough sleeping numbers in the West Midlands rose from 39 people in 2009/10 to 268 by 2015/16, before falling back to 127 in 2016/17. Total homelessness case actions across the Combined Authority region grew by 163 per cent between 2009/10 and 2016/17. Finally, in Liverpool City Region, mayor Steve Rotheram has committed to promoting consideration of a Housing First approach to meeting the needs of street homeless people.⁶⁶ There were 69 enumerated rough sleepers in Liverpool City Region in 2016/17, up from only 14 in 2009/10. Homelessness case actions in Liverpool City Region grew by 78 per

cent in the seven years to 2016/17.

While only a small proportion of LAs surveyed last year felt that devolution would make a significant difference to homelessness in their area, it was also suggested by some key informants that this development might excite more interest over time as the mayors developed and implemented their programmes, so we returned to this theme in the key informant interviews this year.

The current assessment of our key informants might best be described as cautious optimism about the potential for positive impacts on homelessness from city-regional devolution. Many emphasising that the mayors had no formal powers in this area but enjoyed a lot of goodwill, energy and profile that could potentially be put to good use - deploying what one interviewee described as the 'fairydust' associated with the mayors:

"...there isn't anything actually in any of the devolution agreements...on homelessness whatsoever... Andy Burnham [in Manchester], Andy Street in West Midlands and to a lesser extent Steve Rotheram in Liverpool, have all targeted homelessness as something that they want to do but it's very much a political priority rather than a function of devolution, which is an interesting dynamic. What it

62 See for instance the draft London Housing Strategy published for consultation in 2017 https://www.london.gov.uk/sites/default/files/2017_london_draft_housing_strategy.pdf; the Mayor's establishment of the London Homeless Charities Group <https://www.bigissue.com/news/mayor-london-creates-new-coalition-tackle-rough-sleeping/> and establishment of a new team to tackle rough sleeping on London's public transport network <https://www.london.gov.uk/press-releases/mayoral/help-for-rough-sleepers-on-transport-network>

63 See https://d3n8a8pro7vhmx.cloudfront.net/andy4mayor/pages/68/attachments/original/1489493923/Andy_Burnham_Manifesto_A4_12pp_copy.pdf?1489493923

64 See Chapter 4 for a discussion of the limitations of these official rough sleeping statistics.

65 See <https://www.wmca.org.uk/media/1680/andy-streets-renewal-plan.pdf>

66 See <http://www.steverotheram.com/wp-content/uploads/2017/03/FINAL-Steve-Rotheram-Our-future-together-Screen-min.pdf>

means is you've got mayors who want to do things but actually don't officially have any power to do it. So devolution has really been the implementation of soft power to achieve desirable social ends."

Statutory sector key informant, 2017

"There is no national strategy for tackling homelessness across the UK. You've got elected mayors, who have got no remit within their responsibility to tackle homelessness, but are always keen to tackle it, and that's good. Political interest is always welcome, but they're also staking their political reputations on ending rough sleeping before the next election. I'd like that to happen within the next three years, but it's an insane thing to promise..."

Independent key informant, 2017

"...The mayor has got no resource. There's no resource to tackle homelessness through the mayor... What he's doing about it he's working with local authorities and trying to add value by bringing folks together, by looking across, by bringing in the business sector, by lobbying government, by trying to get additional resources, et cetera, et cetera."

Voluntary sector key informant, 2017

There were certainly seen to be opportunities to encourage better cross-border cooperation:

"It does open up avenues to have more creative solutions to better utilise bigger public resources...how do we implement local connection between our boroughs, how do we utilise common sources of temporary accommodation, how do we make sure that we place people where they are best placed rather than just that they have to be in a certain borough, how do we cross-subsidise services, jointly procure stuff? All that is made easier by having a commonality of approach and a figurehead, making it a relevant policy area..."

Statutory sector key informant, 2017

"...one of the biggest challenges to councils is councils that continue to try and provide services in isolation from their neighbours or the region... because of the financial cuts and constraints combined with efficiencies and processes, the real answer is about joint work, and that's where the real gains will be had in terms of dealing with mitigating the impacts of costs to local public services... why would you need five private rented schemes in five different councils when regionally they're within 20 minutes' travelling of each other..."

Independent key informant, 2017

However, there was a sense from some national-level commentators that initial high hopes around devolution and homelessness had given way to some lowering of expectations:

"...whenever we've looked into it, it always seems to be that actually the new powers we're getting aren't quite as exciting as some of the rhetoric might suggest, and obviously so much of the responsibility for homelessness will still lie with local authorities and so much of the levers in terms of benefits and supply still lie with central government, there's not a huge amount created in the space for the mayors... good that you've got people advocating in this space, and bringing local partners together, but it doesn't really change the fundamentals."

Voluntary sector key informant, 2017

"I'd say six months ago or a year ago when we'd had this conversation internally, thinking, what are the opportunities around homelessness?... This was an opportunity to relook at how you can spend money, how you can recommission stuff, how you can pool budgets; everyone got excited about this, and then - and that's still the case, but I think the reality has now hit home that just the way that...in some cases the political will around homelessness is entirely lacking.. we've had high-

profile stuff in the press about Manchester and Liverpool making big commitments around homelessness, and that's great... [but] I think people still feel it's a bit early days, and a lot of the mechanics of the devolution deals are still being worked out."

Voluntary sector key informant, 2017

With it being still too early for concrete outcomes of directly elected mayors and city-regional devolution on homelessness, some of the most interesting discussion concerned what should happen on devolution and homelessness in the future. This independent key informant, for example, was firmly of the view that the legislative framework on homelessness should not be devolved in any way:

"...if regions were able to set their own rules on the homelessness legislation... would that be a good thing?... the answer I think would be "no" because then the legislation would be inconsistent and would be bound to the political flavour or colour of the party that was in at the time as to how liberal or draconian it might be."

However, an alternative view was offered, suggesting that a national minimum could be combined with some devolved legislative flexibility:

"...giving the... ability to waive certain national duties that are enshrined in homelessness legislation, so the homelessness legislation

will always be the minimum standard, but to give the combined authority the ability to go beyond that. So, for example, to take a decision that we will abolish intentionality or we will not recognise local connection I actually think would be a beneficial thing as well... there are things that could be done to make it a better arrangement for our subregion."

Statutory sector key informant, 2017

3.3 Welfare policies

The Coalition and Conservative governments have introduced a raft of welfare reforms over the last six 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. These have been comprehensively reviewed in previous editions of the Monitor.⁶⁷ This year we have focused on the continuing impact of the LHA regime, the benefit cap and the long drawn out introduction of the UC regime. This is not to ignore the challenges presented to lower income households by the other welfare reforms, or their combined impacts on household debts and insecurity; but in the space available here there is less to report in terms of the developing impacts of those other reforms.

Since our last Monitor there have been two Budget Statements, an election, and a new Conservative government elected with a reduced majority. While there has been some change of rhetoric in respect of welfare policy there has been only marginal change in terms of inherited policy. Perhaps the most significant change has been the abandonment of the proposal to extend LHA caps to HB for tenants in

the social rented sector (two-thirds of our LA respondents this year reported that such a move would have restricted access to social housing in their area, see Appendix 2, Table 8a). There have also been some minor changes made to the UC regime, and these are discussed below.

Local Housing Allowance

Changes to the 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 subsequently to all existing claimants. 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 uprated by just 1 per cent. Following a decision in the Summer 2015 Budget the LHA rates have now been frozen for four years from 2016/17. One LA respondent spoke for the concerns of many on this topic:

"LHA rents are already well below market rents, so [the freeze] will just widen that gap and make private accommodation unaffordable. A freeze on working age benefits will give less disposable income to households to be able to meet the difference between LHA rates and rents being charged resulting in more likelihood of arrears."

LA respondent, the South, 2017

Administrative data on LHA claims is now available for the period to

⁶⁷ <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

August 2017, however since 2015 an increasing proportion of claimants now receive their help with housing costs through the UC scheme, and data on the number of households in receipt of UC is only available (at the time of writing) up to May 2017. Taken together, the LHA and UC data shows that the number of claimants in the PRS continued to rise after March 2011, but at a much slower rate than in the five years prior to the LHA reforms. However, since February 2014 claimant numbers have begun to fall. In England as a whole the numbers of private tenants in receipt of HB rose from 1,376,440 in March 2011 to 1,472,150 in February 2014, before (including UC numbers) falling back to 1,342,925 by May 2016, and 1,305,151 by May 2017. As a consequence, the numbers of HB/UC claimants in the PRS are now some 5 per cent lower than they were when the LHA reforms were introduced in 2011, despite the continuing strong growth of the PRS overall (see Chapter 2).

The data also 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. For inner London as a whole HB/UC claimant numbers are now a fifth lower than they were in March 2011. The decline has been sharpest in those areas of central London affected by the caps on maximum LHA rates, with declines of more than two fifths in Kensington and Chelsea and Westminster between March 2011 and May 2017.⁶⁸ 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).

There has also been a substantial decline in the numbers of younger single households in receipt of HB, following the extension of the Shared Accommodation Rate (SAR) to single people aged 25 to 34. Between December 2011 and August 2014, single people aged under 35 in receipt of HB in the PRS in England fell by some 50,750 (28%). Again, the roll out of UC and the lack of available data on the age of single 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 HB 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 has been reinforced by other research conducted by Crisis.⁶⁹

The published HB 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' HB. 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.⁷⁰

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

68 Authors analysis of data from Stat-Xplore. Note that the housing benefit figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

69 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*, Sheffield Hallam University, London: Crisis.

70 Beatty, C., Cole, I., Powell, R., Kemp, P., Brewer, M., Emmerson, C., Hood, A. & Joyce, R. (2014)

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.

In the 2017 Autumn Budget the Chancellor announced an increase to the Targeted Affordability Fund of £125m, which increases LHA rates in areas most affected by the freeze. One of our key informants speculated about whether there might be a link with the highly critical NAO report discussed above:

“I’m not sure whether the additional Targeted Affordability Funding announced in the Budget would have been quite as generous as it was if it wasn’t for the NAO report.”

Voluntary sector key informant, 2017

However, this is essentially palliative - and will leave the freeze in place across most of the country.

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 – initially 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, since the 7th November 2016 the benefit cap for out of work claimants has 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 (see Figure 3.2).

These lower limits have significantly increased 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, however, now have a much greater impact on both smaller households, and households outside London in both the rented sectors.

In practice, the initial cap impacted on considerably fewer households than expected. Numbers fluctuate slightly from month to month but peaked for England as a whole at 26,719 in December 2013. By October 2016 the England numbers had eased down to 17,824.⁷¹ 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 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.⁷²

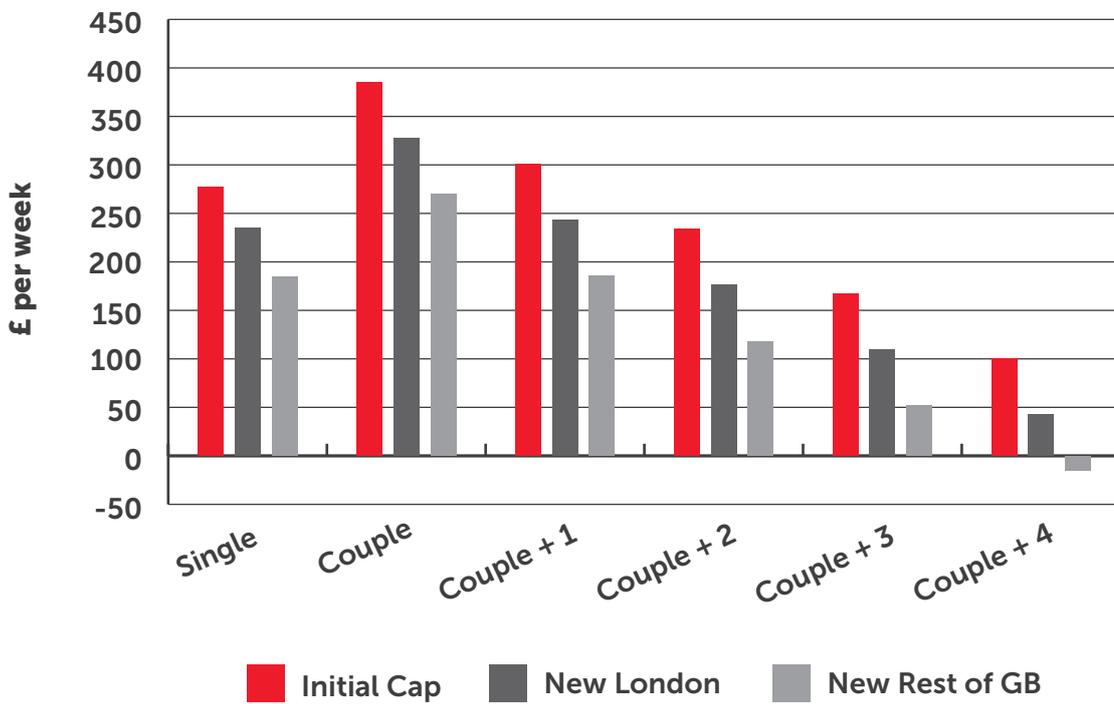
However, since October 2016 the numbers of claimants impacted in

Monitoring the Impact of Changes to the Local Housing Allowance System of HB: Final reports. London: DWP

71 Department of Work and Pensions (2016) *Benefit Cap: GB households capped to August 2016.* London: DWP

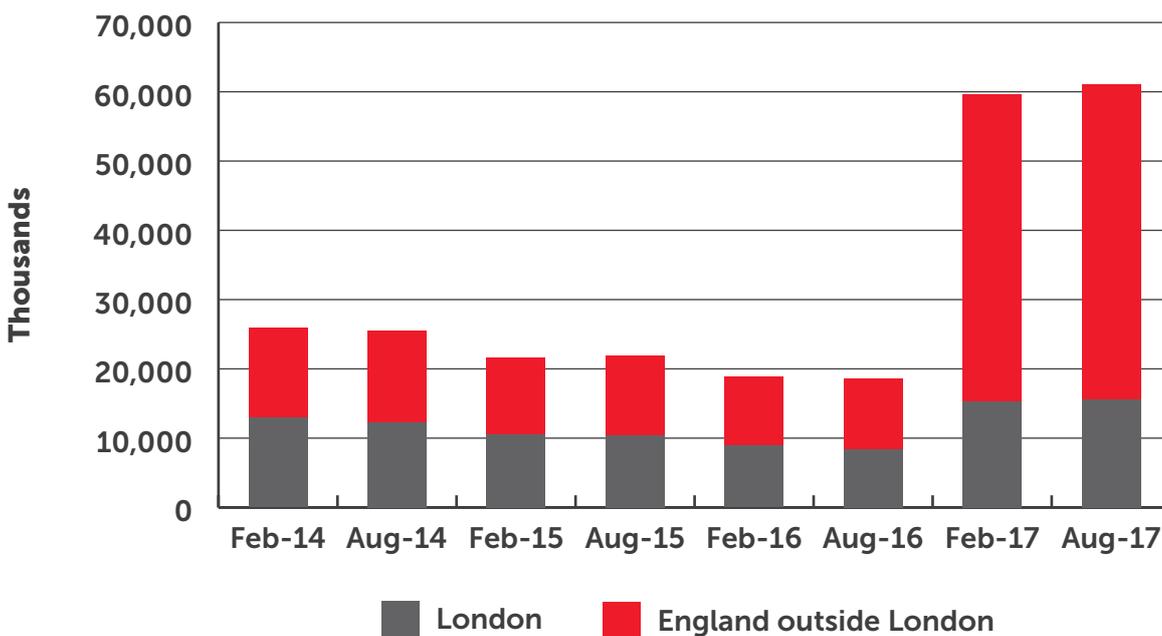
72 Green, A., Elias, P., Hogarth, T., Holmans, A., McKnight, A. & Owen, D. (1997) *Housing, Family and Working Lives.* Warwick: Institute for Employment Research, University of Warwick., Hills, J., Smithies, R. & McKnight, A. (2006) *Tracking Income: How Working Families' Incomes Vary Through The Year.* London: Centre for the Analysis of Social Exclusion, London School of Economics.

Figure 3.2 Tightening of the Maximum Benefit Cap: Maximum benefit available to meet housing costs



Source: Difference between Cap and basic 2016/17 household Income Support rates.

Figure 3.3 Sharp rise in benefit cap cases outside London after November 2016 lowering of the cap



England have more than tripled – to 61,051 in August 2017. As anticipated most of that greater impact has been felt outside London, as shown in Figure 3.3. While initially the numbers capped in London represented around a half of the total in England, following the lowering of the cap they now account for only about a quarter of the total for London; albeit that the numbers in London almost doubled under the lower cap.

Of those households impacted in August 2016, three-fifths had four or more children, and close to a further one fifth had three children. By August 2017, under the lower caps, the proportion of impacted families with four or more children had fallen to just under a third of all the cases in England, while families with three children now represented two fifths of all those impacted.

At both dates the households impacted nationally were slightly more likely to be located in the social rather than the PRS. 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.⁷³

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 3.1. As at August 2017 for families with four children, nearly four fifths faced shortfalls in excess of £50 per week, and over a fifth faced shortfalls of

over £100 a week. Among families with five or more children, over 90 per cent faced shortfalls in excess of £50 per week, and over a half faced shortfalls in excess of £100 per week.⁷⁴ The potential for this policy to lead to homelessness for those households where movement into employment is not practical is all too clear.

Universal Credit

The UC regime combines several existing benefits, including HB, and aims to radically simplify the structure of welfare benefits in the UK. A full account of the structural reforms was set out in earlier editions of the Homeless Monitor.⁷⁵

The new regime was initially operational only for single person claimants but is now being rolled out for couple and family households. The overall timetable for rolling out the new regime has been 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 very late in the day. Poor management and lack of cost controls in the development of the new regime have been severely criticised in two reports from the NAO.⁷⁶

Even by the end of 2017, UC had only been fully rolled out (for all new claimants) in about a third of all JobCentre Offices. The full roll out is now (post the 2017 Autumn Budget) planned to be completed by the end of 2018, with existing claimants on other benefits transferred onto UC by the end of 2022. By June 2017 it was still the case that some four fifths of the half a million households in receipt of

73 There were at August 2017 some 27,531 out of work families with three or more children in the social rented sector impacted by the benefit cap, compared to some 16,886 in the PRS. Data for England extracted using DWP Stats-Explore.

74 Data extracted using DWP Stats-Explore.

75 <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

76 National Audit Office (2013) *Universal Credit: Early Progress*. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>; National Audit Office (2014) *Universal Credit: Progress Update*. <http://www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf>

UC were single people, with just some 90,000 families with children by then on the scheme.

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.⁷⁷ 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.

There have been a number of subsequent reports expressing continuing concerns about levels of arrears associated with the UC regime, and the six week period of delay built into the structure of the regime has been clearly identified as one of the factors involved in leading to those arrears.⁷⁸ Several other concerns have been expressed about the administration of the scheme, including concerns about monthly payments, the cost and operation of the UC telephone helpline, and the presumed minimum income floor in any period for self-employed claimants.

Following a deal of controversy, the government abandoned the charges for the telephone helpline, and in the

2017 Autumn Budget announced a number of reforms. These including removing the 7 day 'waiting period' that was one element of the overall six week period of delay (from February 2018), permitting HB payments to continue for two weeks following a UC application for existing HB claimants (from April 2018), for some claimants making provision for interest free advances of up to 4 weeks UC within 5 days of making a claim, to be recovered over a 12 month period (from January 2018), and slightly easing the arrangements for the rental element of UC to be made direct to the landlord. While not altering the fundamental structure of the scheme these provisions were estimated by the Government to cost £300 million in 2018/19.⁷⁹ It remains to be seen just how far these reforms go towards ameliorating the difficulties caused by the administration of the scheme.

It should also be noted that the scheme will operate with some important modifications in Scotland and Northern Ireland. In those countries payments will be made twice a month, and payments of the housing element within UC will be more readily made direct to landlords.

In structural terms the original UC regime would not, in itself, have involved any further reduction in benefit levels, although it would have still involved gainers and losers relative to the current regimes, albeit that existing claimants would be provided with transitional protection.⁸⁰ However the potential work incentive credentials of the UC regime have been undermined by the UC reforms

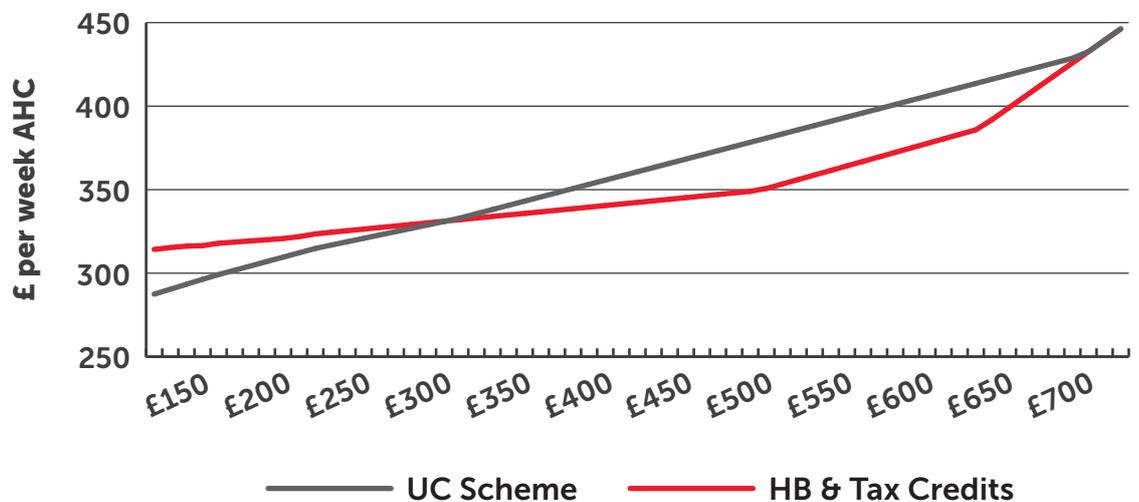
77 Hickman, P., Reeve, K., Wilson, I., Green, S., Dayson, C. & Kemp, P. (2014) *Direct Payment Demonstration Projects: Key findings of the programme evaluation*. London: DWP. .

78 Hunter, P. et al. (2017) *Safe as houses: the impact of universal credit on tenants and their rent payment behaviour in the London boroughs of Southwark and Croydon, and Peabody*. London: The Smith Institute.

79 HM Treasury (2017) *Autumn Budget 2017, HC 587, Cm 9362*, London: The Stationery Office.

80 Department of Work and Pensions (2012) *Universal Credit Impact Assessment*. Online: DWP. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf. Also see a previous edition of the Homeless Monitor (section 4.3) for further discussion of the Universal Credit scheme, and wider reductions in benefits expenditure over the last few years: Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: England 2013*. London: Crisis.

Figure 3.4 Impact of universal credit reforms on total net income after housing costs (AHC)



Lone parent with two children and £120 per week rent. Based on 2017/2018 scale results.

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 May 2015-July 2016 Conservative Government backtracked on its proposals for tax credit cuts in the 2015 Autumn Statement it 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 partly offset those cuts by reducing the UC taper rate from 65 per cent to 63 per cent (also from April 2017).

However, it remains the case that for many households in very low paid work under the UC scheme as it now stands they are less well off than under the predecessor schemes, as illustrated in Figure 3.4. This shows that a lone parent is worse off under the UC

regime with earnings below £300 per week i.e. when working for anything less than 40 hours a week at the level of the minimum wage.

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 levels of poverty among members of working families.⁸¹

The failure to include Council Tax benefit within UCs, 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.

Views on the homelessness impacts of welfare reform

Virtually all respondents to this year's LA survey anticipated that the five prospective and ongoing welfare benefit reductions and restrictions

81 Tinson, A, Ayrton, C, Barker, K, Born, B, Aldridge, H & Kenway, P (2016) *Monitoring Poverty and Social exclusion 2016*, York: Joseph Rowntree Foundation.

named in Appendix 2, Table 9 would exacerbate homelessness – either slightly or substantially. Two of the five changes – removal of HB entitlement for young adults and full roll out of UC – stood out as being generally expected to trigger significant increases.

With regard to young adults, the Government removed the ‘automatic’ entitlement to support for housing costs for single, childless 18 to 21 year olds claiming UC from April 2017. However, there are exemptions for vulnerable claimants, or those in work or who have recently left work, and the policy is described as applying *“only to those who can reasonably be expected to live in the parental home but choose not to do so”*.⁸² Figures released by DWP subsequent to our survey (on 11th January) indicated that 96 per cent of 18-21 year olds who applied for support for housing costs since the new regulations came into force were in fact awarded it⁸³, albeit that 50 per cent of these successful applicants were young parents who are in any case exempted from the policy. Despite this high success rate amongst young applicants for housing support, key remaining concerns about the policy include the extent to which eligible young people are dissuaded from applying because they think they are no longer entitled to the benefit, and the impact of the policy on landlord willingness to let to this group.

With regard to UC, comparing findings with results from our 2015 survey suggests that concerns over UC – already widespread at that time – have significantly hardened over the past two years as evidence has emerged from pilot implementation sites. The proportion of respondents expecting UC to increase homelessness has

increased from 73 per cent in the 2015 survey to 93 per cent in 2017.

Most of the open-ended comments on future benefit cuts concerned the ongoing roll out of UC. Here, one respondent struck a note of relative hopefulness:

“We have been in talks with areas already affected by the roll out of Universal Credit and they have reported that it has been less of a disaster than they were expecting. I am trying to stay optimistic.”

LA respondent, the South, 2017

However, the vast majority of observations on the UC roll-out contained no such positive inflexion:

“Big concern is Universal Credit – every recipient is going to get into debt and landlords will not consider anyone on Universal Credit unless rent is underwritten/ guaranteed completely.”

LA respondent, the South, 2017

“Universal Credit regulations, design and administration need a lot of fixing – TA must be exempt from Universal Credit, Universal Credit Service Centre staff need a LOT of training especially in relation to housing, and the private rented sector needs more support.”

LA respondent, London, 2017

82 Department for Work and Pensions (2018) *Removal of automatic entitlement to housing costs for 18-21 year olds in Universal Credit*, Online: DWP. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672800/removal-of-automatic-entitlement-to-housing-costs-for-18-to-21-year-olds-in-universal-credit-ad-hoc-statistics.pdf

83 *ibid.*

“The rollout of Universal Credit in trial areas has seen a substantial increase in arrears which is likely to precipitate a massive increase in homelessness.”

LA respondent, London, 2017

“All the welfare reform work will make matters substantially harder and have not been adequately thought through – Universal Credit is a particular nightmare as the DWP do not have sufficient communication channels in place to resolve issues and the delays are significant. Universal Credit is going to prove the most challenging of all the changes.”

LA respondent, the South, 2017

One key informant disputed the link between UC and homelessness:

“I would probably challenge back to the stakeholders... I don’t see that the introduction of Universal Credit in itself would have an impact on homelessness because [it is being implemented] in a... cautious, learning from experience way and they’ve got these protections built-in. So I think there are key issues to do with the implementation of Universal Credit which have been raised and addressed in the Autumn Budget, homelessness isn’t one of them.”

Statutory sector key informant, 2017

This was not the view of any of our other key informants:

“We continue to hear all sorts of horror stories about the Universal Credit roll-out, that’s the deepest thing that we hear from the local areas. The wait time on it, that’s come into the media recently, is causing massive problems for people. I think the general level of rubbishness, for want of a better term. The roll-out, and the fact that people are really struggling to get into the systems to be able to speak to people at the centres about it. There’s some really distressing case studies coming out about the impact that it’s having.”

Voluntary sector key informant, 2017

“The Universal Credit issue I would definitely flag as being majorly problematic for our client group. The challenge is how much of a cause initially that is of people’s homelessness, or also how it exacerbates their existing circumstances in terms of worsening their risks of being homeless, or making it much harder to avoid being homeless. We hear a lot about benefit delays... there are arrangements in place around alternative payments for Universal Credit, but that doesn’t always work very well.”

Voluntary sector key informant, 2017

Funding of temporary and supported accommodation

From April 2017 the funding mechanism for temporary accommodation (TA) changed, with an upfront allocation given to all councils rather than an additional 'management fee' recouped via HB. This ringfenced pot was presented as an opportunity to give local authorities greater flexibility to invest in homelessness prevention.⁸⁴ Our key informants seemed to welcome the principle of the 'Flexible Homelessness Support Grant' but argued that the broader structural context limited the scope for it to be put to preventative use:

"... the broad settlement is okay...The problem I have with it...I mean there'll never be a good time to introduce it but now is a particularly bad time to introduce it. Saying to local authorities you now have flexibility about how you use temporary accommodation funding, go and spend it on things that are meaningful is fine, but when temporary accommodation is at an all-time high... you don't in practice have any wiggle room to get ahead of that curve at all because you are just running with your current statutory duty... I don't have any major issues with the model. It's just we will never be able to take full advantage of it, because we will never quite get ahead of the curve."

Statutory sector key informant, 2017

There had been acute concern about the impact of Government proposals to impose LHA caps on housing costs in supported as well mainstream social housing (see Appendix 2, Table 8a), and widespread relief throughout the housing and social care world when this policy was abandoned (see above). The Government has proposed three new funding models covering: 'sheltered and extra care supported housing'; 'short-term and transitional supported housing'; and 'long-term supported housing'.⁸⁵

There has been a generally warm welcome for the Government's plans for long-term supported housing, which may be relevant to some rough sleepers and other homeless people with requirements for highly specialist long-term care. Such accommodation will stay within the mainstream HB/UC benefit system without LHA limits being applied to it.

However, there are decidedly mixed views on the proposals on short-term supported accommodation, which is the type of provision generally of greatest relevance to homeless people. The Government's plans involve taking these housing costs out of the mainstream benefit system altogether and instead providing funding via a ring-fenced 'Local Grant Fund' administered by local authorities.⁸⁶ On the one hand, many commentators are firmly opposed to taking these rental costs out of the entitlement-based, demand-led HB system. They point to severe cuts in 'Supporting People' funding since 2010 as evidence that initial ring-fencing of this new LA budget is far from a long-term

84 Department for Communities and Local Government (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>

85 Ministry of Housing, Communities and Local Government & Department for Work and Pensions (2017) *Funding for supported housing*, Online: MHCLG. <https://www.gov.uk/government/publications/funding-for-supported-housing>

86 Ministry of Housing, Communities and Local Government & Department for Work and Pensions (2017) *Funding for supported housing*, Online: MHCLG. <https://www.gov.uk/government/publications/funding-for-supported-housing>

guarantee of adequate resourcing. While acknowledging these fears, particularly with regard to the potential flimsiness of the ring-fence, other commentators see the proposed new model as a positive and appropriate measure, which recognises the very different status and cost structure of this form of accommodation from self-contained, general needs units. This latter group stress that the proposed new funding arrangements will ease barriers to work for residents who will no longer be subject to high rents and earnings taper rates while they live in short-term supported accommodation. Those on this side of the debate also emphasise the significant reduction in 'transactional costs' for service providers, who will no longer be required to devote significant portions of staff time to sorting out HB claims.

The National Housing Federation has reported that its housing association members who provide these short-term supported accommodation services are divided on the merits of the proposed model.⁸⁷ This diversity of views was also very much in evidence in the comments of our key informants, some of whom seemed conflicted on the issue, but had come down against the plans:

"...it could be deeply beneficial... [in that] inflated rents are causing employment problems for people. In many ways you would have expected the sector to really celebrate something like that... [However] my sense is that most providers fall down on the side that the uncertainty of having to negotiate with local authorities on it is going to

be more problematic than the positive benefits that it might bring. They see the HB income stream as a guaranteed one, almost. Whereas they see the need to have to talk to LAs in separate conversations are much more complex, much more likely to shift by local politics. In a way, you can't blame them, because if you look at what happened to the Social Fund, and stuff like that, when it moved over to local authorities, you can't blame them for being slightly concerned."

Voluntary sector key informant

"There's not enough security for any long-term planning or investment in buildings, investment in developing new services; there's concerns about commissioning capacity at a local level to do this well, and I think people have been massively burnt by the Supporting People ringfence coming off, and that resulting in a massive reduction in funding locally. So although currently the proposals are outlining that the amount will be ringfenced, there's no guarantee how long that would last, so removing it from the benefit system, people see that as massively risky and puts a lot of services at risk. "

Voluntary sector key informant, (2017)

87 Orr, D. (2018) *Our long-term solution for short-term supported housing*, Online: National Housing Federation. <https://www.housing.org.uk/blog/our-long-term-solution-for-short-term-supported-housing/>

Other were in favour of the new model in principle, albeit they had concerns about the upper tier authorities being the recipients of the new funding pot and were looking for reassurance about the longer-term security of the funding stream:

“I think this is brilliant. It needs work on certain issues about sustainability and about development and I’m not happy with the upper tier having the money.... I know there are issues about size and there are issues about uplift... The government clearly do want to cap funding at some point, but actually the other side of it is if you take out all the transactional costs... and you concentrate on what it’s meant to be for which is dealing with people’s underpinning support needs and help them to move towards independence then actually it will be cheaper. I’ll not have to plan for all the debt that I have to write off. I’ll not have to plan for all the loads of people chasing rent, chasing HB... [residents] won’t end up with all the debt. They won’t be disincentivised for moving to work because the rents are so high... If you look at it from the client’s perspective I absolutely think it’s the right direction to go in.”

Voluntary sector representative, 2017)

“We’re broadly supportive actually of the changes to short-term. There is still the shadow of Supporting People

hanging over.... a concern that money will be siphoned off elsewhere, that there are still future risks the size of the programme - whether there’s ring-fencing or not. All those risks are there, but broadly I don’t think the basic model has a lot of faults to it... ”

Statutory sector key informant, 2017)

One key informant in fact felt that the new short-term supported accommodation model should also be applied to housing costs in TA:

“...there’s not enough attention on the fact that, under Universal Credit, the TA regime doesn’t work... There’s an assumption by the DWP ministers and officials that actually TA is something akin to general need social housing, and it absolutely isn’t. I’m okay with the principles of the supported housing regime. I think we should stop pretending it’s HB, and it should be classified as something else...I’m concerned...that it’s ring-fenced, [that] it goes up at a [reasonable] rate... [But] I’m okay with the principle of what they’re proposing, it’s about safeguarding the process for the future to make it viable, but I also think TA needs to be put into that [new supported housing model] as well.”

Independent key informant, 2017

3.4 Key points

- Homelessness has shot up the media and political agenda over the past year. All of the major

- party manifestos made mention of homelessness in the snap June 2017 election, and the Conservatives under Theresa May pledged to halve rough sleeping by 2022, and eliminate it altogether by 2027. The Prime Minister has also established a high-level Rough Sleeping and Homelessness Reduction Taskforce, supported by an expert Rough Sleeping Advisory Panel.
- The HRA was passed in April 2017, and is due to come into force in April 2018. The principles underpinning the Act seem to have garnered significant and growing cross-sectoral support. While some questioned the adequacy of the new burdens funding granted to LAs to support the Act's implementation, the more fundamental issues relate to the growing structural difficulties that many LAs face in securing affordable housing for their homeless applicants.
 - The government have published the new Homelessness Code of Guidance which updates existing guidance and covers the duties brought in by the Homelessness Reduction Act. The new Code focuses tightly on the legislation and less on providing general good practice guidance. Many aspects of the draft Code were welcomed by our key informants, but much will depend on the complementary role expected to be played by code(s) of practice yet to be issued by Ministers.
 - A number of specific commitments on homelessness were announced by the Chancellor in the 2017 Budget, including investment in a national Private Rental Access Scheme and substantial funding for three Housing First pilots. These commitments have broadly been welcomed, albeit that many have questioned the need for further piloting of Housing First given the now very well-established evidence base supporting this model.
 - Other key national-level developments over the past year include reports by both the NAO and PAC which were highly critical of aspects of the Government's handling of homelessness, including DCLG's 'light touch' approach to working with LAs on homelessness, DWP's failure to evaluate the homelessness impacts of welfare reform, and the lack of an overarching cross-governmental strategy.
 - There have also been high profile mayoral commitments to address homelessness in Greater Manchester, the West Midlands, and Liverpool, as well as the more longstanding mayoral initiatives in London. The mayors lack formal powers with regard to homelessness but appear to be galvanising significant enthusiasm and momentum behind cross-border and inter-sectoral approaches, albeit that it is still too early to discern any concrete outcomes of these initiatives.
 - Nonetheless, the overwhelming message from across the key informants this year was to emphasise the need for national leadership and a national strategic focus which takes concrete steps to address the underlying structural drivers of homelessness, particularly with respect to welfare reform.
 - LHA reforms have undoubtedly narrowed the access of lower-income households to the PRS. The numbers of HB/UC claimants who are private tenants is now some 5 per cent lower than they were when the LHA reforms were introduced in 2011, despite the continuing strong growth of the PRS overall.
 - The data also still clearly show that the policy has, as intended, particularly limited the ability of households to access the PRS in inner London. For inner London as a whole HB/UC claimant numbers are now a fifth lower than they were in

March 2011, with declines of more than two fifths in Kensington and Chelsea and Westminster between March 2011 and May 2017.

- The lower overall benefit caps have, as predicted, had a far greater impact, than the initial regime, tripling (to c.61,000) the numbers of households impacted in England, with over 9,000 households subject to a deduction of over £100 per week, including over 8,000 families with three or more children.
- There are acute and growing concerns about the many difficulties that the administrative arrangements for UCs pose for vulnerable households, despite the concessions made in the Autumn 2017 Budget. The cuts to UC announced in the 2015 Summer Budget (and only partly mitigated by the reduction to the UC taper rate announced in the 2016 Autumn Statement) have reduced the gains from working for very low paid households.
- Virtually all respondents to this year's LA survey anticipated that a range of prospective and ongoing welfare benefit freezes and restrictions would exacerbate homelessness in their area – either slightly or substantially. Two changes – removal of 'automatic' HB entitlement for young adults and full roll out of UC – stood out as being generally expected to trigger significant increases.
- The decision not to implement previous plans to impose LHA caps on social tenants was widely welcomed. There were, however, highly divergent views on the merits of the Government's proposals on the funding of short-term supported accommodation.

Homelessness trends

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.⁸⁸ 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 proactive '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 strongly evident in 2017, with the national total up by 169 per cent since 2010 and by 15 per cent since 2016 (see Figure 4.1). Proportionately, 2017 numbers grew fastest in the North of England, up by 32 per cent - albeit on a small base. Over the longer term, however, increases have been particularly rapid in the South of England outside London - 194 per cent higher in 2017 than in 2010.

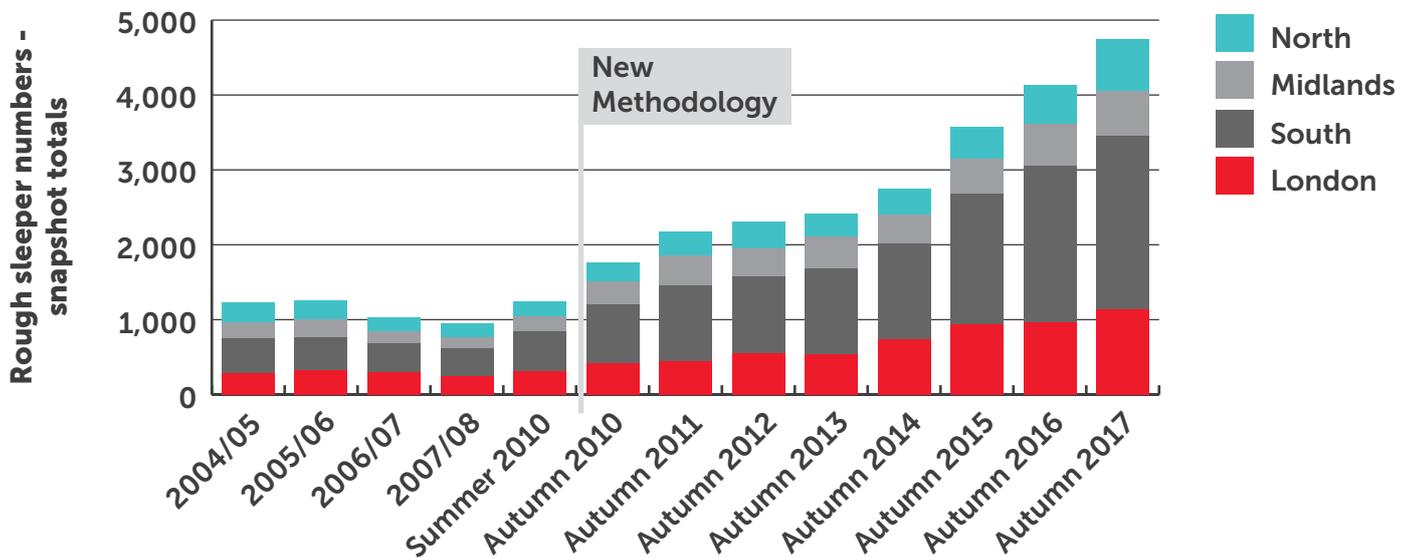
The numbers reported in Figure 4.1 are 'official estimates' that draw on LA estimates and counts. While they are undertaken according to a prescribed methodology, these statistics are widely interpreted as substantially understating the scale of rough sleeping⁸⁹ (though one of our key informants took the contrary view that widespread over-estimation inflated these snapshot figures, see below). Equally, however, since the methodology has remained constant since 2010, the official statistics can be viewed as of at least some value in providing an indication of trends over time.⁹⁰

88 Analysis draws on the most up-to-date published and unpublished data available at the time of writing (Feb 2018).

89 For a more detailed discussion on rough sleeper enumeration techniques and their flaws, see Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*; London: Crisis

90 Wilkins, M. (2018) *What's behind the growing number of rough sleepers?* National Audit Office blog <https://www.nao.org.uk/naoblog/growing-number-of-rough-sleepers/#more-2311>

Figure 4.1 Trends in local authority rough sleeper estimates by region, 2004-2017



Source: 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.

Nevertheless, as reported in last year's Homelessness Monitor, the UK Statistics Authority (UKSA) was highly critical of these official rough sleeping statistics in its report published in December 2015.⁹¹ At the time of writing work was ongoing by the Ministry for Housing Community and Local Government (MHCLG) to overhaul these statistics in response to the points raised by the UKSA. One of our key informants bemoaned the absence of a more reliable set of national statistics on rough sleeping across England:

“Yes, I mean, it disturbs me that it’s still only London that’s got this level of information [on rough sleeping]...I just think the other cities have to do better...I am interested in rough sleeping nationally, and I don’t know what the national situation is, but I would say nor

do the people who are actually working on the ground... even what I see when I go to fairly small places...you do see more visible rough sleeping, in towns as well as in cities.”
Senior manager, single homelessness service provider, 2017

In this year's online survey we asked LAs their views of the accuracy of their own rough sleeper counts or estimates submitted annually to DCLG (see Appendix 2, Table 6.) Less than half of responding authorities perceived their own figures as 'very reliable'. While conceding some doubt about the accuracy of their figures, responses from a number of authorities indicate the thorough and conscientious way this is approached in some parts of the country:

91 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.

“Our estimate collated evidence from a wide range of agencies (public, voluntary, Churches and Faith Groups etc) and we are confident that it would include the majority who were working with or aware of people that were sleeping rough.”

LA respondent, the South, 2017

“It is reliable as an estimation can be and more reliable than an actual count as sleepers could be hidden in densely wooded areas. It is done in collaboration with a number of organisations which form our homeless operational focus group, submissions are tested against duplication and with data collected throughout the year.”

LA respondent, the Midlands, 2017

“The intelligence gathered and the [identification of] hot spots was robust ... but when we completed the count on the night we felt it wasn't reflective of the people that we thought were sleeping rough in the borough.”

LA respondent, the North, 2017

This last remark links with a comment made by the key informant who argued that over-estimations often inflate the snapshot statistics. In his experience, agencies often confuse the prevalence of rough sleeping in their area (i.e. the total number of people whom they know to be sleeping rough over a period of time) with the stock count for a single night.

Many other LAs highlighted the technical feasibility challenges involved in attempting an accurate measurement of rough sleeping via a street count:

“Rough sleeping is unusual in our area. It is a vast, rural area and it would not be feasible to cover it all in order to identify rough sleepers.”

LA respondent, the South, 2017

“I don't feel the mode in which this is counted is reliable... The rough sleepers we encounter state they are riding trams and walking the streets during the night to keep warm and sleep at odd times not always at night during the hours the count occurs.”

LA respondent, the North, 2017

We also asked LAs whether, in their view, rough sleeping had increased in their area over the year to September 2017. Well over half (61%) reported that it had, with this pattern of responses fairly uniform across the broad regions (see Figure 4.2). Many respondents made mention of welfare reform in accounting for this rise (see Chapter 3), but issues more specific to rough sleeping were also frequently mentioned, particularly reduced access to support and social care services:

“Welfare reform, reduction in appropriate supported accommodation, difficulty in sustaining tenancies. Reduction in supported people services such as floating support.”

LA respondent, the Midlands, 2017

“Health and Social Care Act 2012 ... raised the bar for access to social care. Welfare reform has been targeted against the poor and thus more homelessness. There are more people than ever with complex and multiple needs... Mental health services are overstretched and unable to cope.”

LA respondent, the South, 2017

It is worth noting here the high proportions of rough sleepers logged on CHAIN with health and social care needs - including alcohol problems (36%), drug problems (42%), mental health problems (50%). It is this level of acute need which distinguishes the

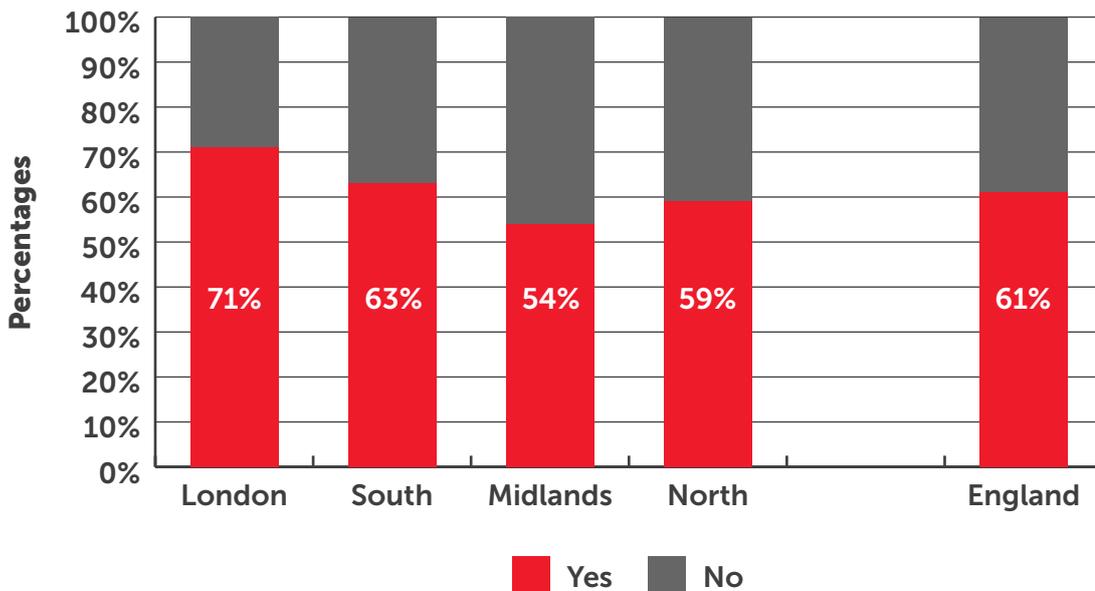
rough sleeping cohort (particularly those who are UK-born) from wider groups of homeless people, and which indicates that the long-term solutions often require a large health-related care component.

Many respondents perceived believed that local in-migration was a significant part of the explanation for increased numbers in their locality, with some implying that out-of-area people were attracted by their authority's services:

“[LA] is an attractive city for rough sleepers, we have a range of dedicated services and hostel beds. Begging can be highly profitable in the city centre.”

LA respondent, the South, 2017

Figure 4.2 – Has rough sleeping increased in your area over the past year? (%)



Source: GLA/CHAIN data Q4 2017

N=170 (London: 14; South: 80; Midlands: 37; North: 39). Note: Excludes 'don't knows'.

“The City appears to be attracting new / existing rough sleepers from other districts where there is little or no provision of hostel accommodation. There appears to be an increase in the transience of the rough sleeper population.”

LA respondent, the South, 2017

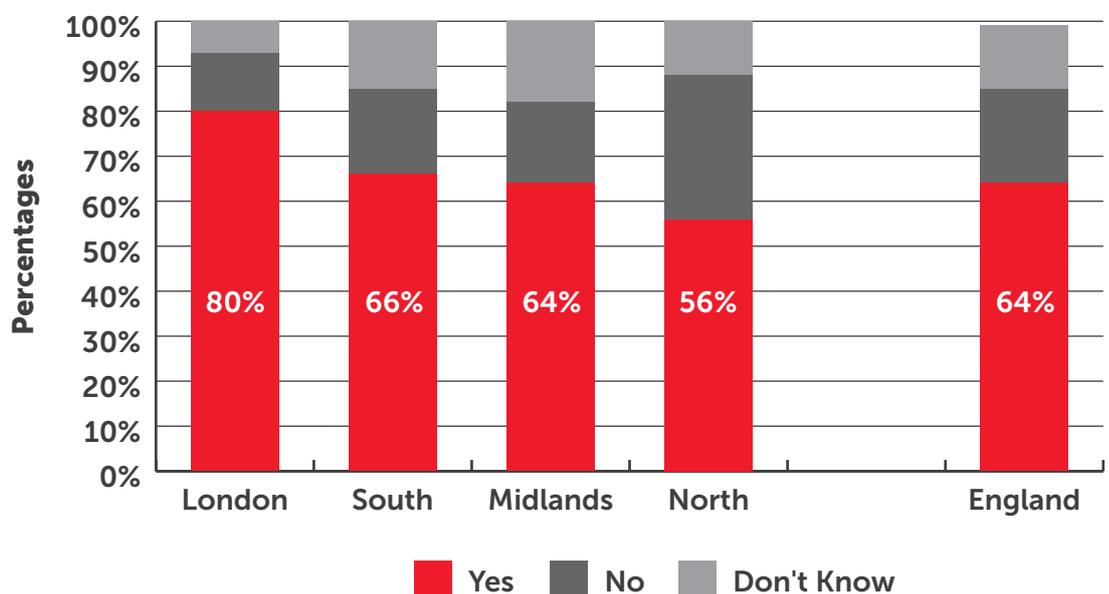
Interestingly, given that the latest CHAIN data indicates reduced numbers of Central and Eastern European (CEE) rough sleepers in London (see below), some respondents from across a range of parts of England perceived that at least part of the recent increase in rough sleeping in their area involved migrant workers with no recourse to public funds. However, while one interpretation of the above findings could be that migrant rough sleepers have been displaced from London to other parts of England, we have no grounds to believe this to be the case.

Unsurprisingly, given this widespread nature of this reported rise in rough sleeping, nearly two thirds (64%) of responding authorities felt that there was a need for additional resources and/or provision of accommodation/ services in order to properly address rough sleeping in their locality (see Figure 4.3).

The kinds of expanded provision that respondents had in mind often involved additional emergency or night shelter accommodation. Others called for more supported housing suitable for people with complex needs or referenced the need for ‘Housing First’ provision. For a number of participants, the establishment of outreach services was considered a priority.

However, less than a quarter (24%) of LA respondents thought that a national rough sleeper strategy would be helpful in addressing their local problems (33% responded negatively to this suggestion and 43% didn’t know). For some who responded positively this was conditional on accompanying additional resources:

Figure 4.3 - Are further resources or provision needed to address rough sleeping in your area?



N=183 (London: 15; South: 88; Midlands: 39; North: 41).

“[Yes to a national strategy] but only if there were more tangible resources made available in the form of affordable housing.”

LA respondent, the South, 2017

As to the main focus for such a strategy, some respondents envisaged that the national strategy could officially promote the Housing First concept, while another key theme to emerge was effective partnership working at both the national and the local scale:

“Greater partnership work between the DCLG, the Home Office and the DWP. On the ground greater partnership work between councils, health agencies, police.”

LA respondent, London, 2017

National rough sleeper profile

Since 2016, MHCLG (formerly DCLG) has required local authorities to provide some more detailed information about rough sleepers, over and above simple counts. Thus, in 2017, by aggregating all the local returns it is estimated that some 86 per cent of rough sleepers were men while just over a fifth (22%) were non-UK nationals. Of these, most (17% of all rough sleepers) were thought to be EU nationals.

Rough sleeping in London

The most robust and comprehensive rough sleeper monitoring data in the UK remains the statistics collected routinely by the GLA's CHAIN system managed by St Mungo's in London.⁹² It should be emphasized that the CHAIN metrics are different and not directly comparable with the MHCLG statistics reported above. Unlike the

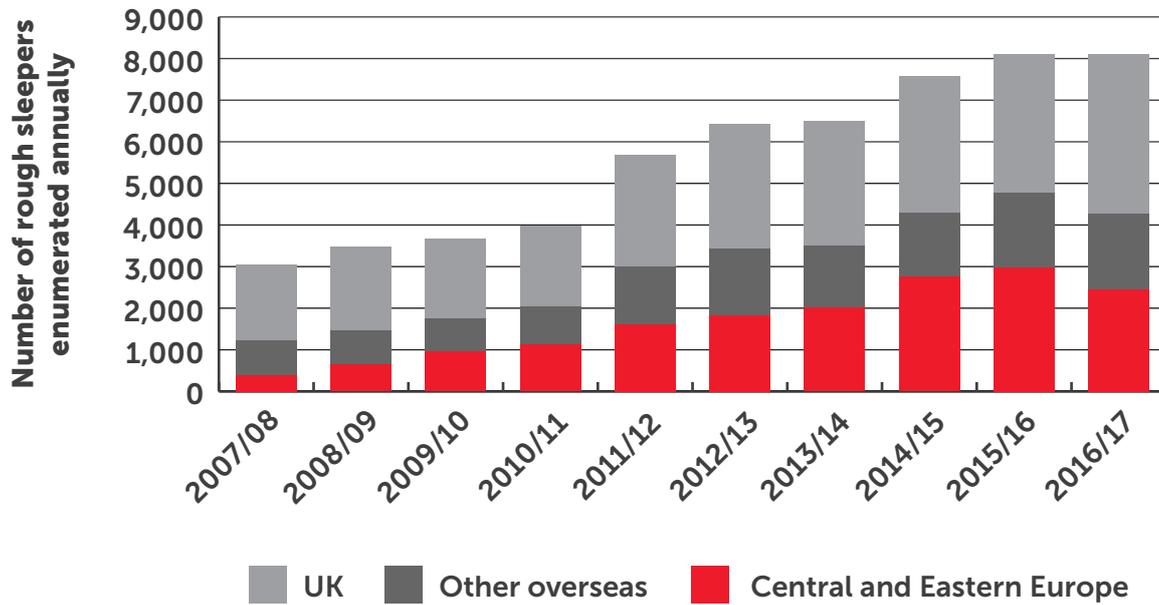
national numbers, the former involve ongoing collection of data about the rough sleeping population by outreach teams who engage directly with rough sleepers nightly on the street. This is quite different from a single, point in time, snapshot count.

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 4.4). Again broadly consistent with the DCLG statistics for London (see Figure 4.1), CHAIN data shows London rough sleeping having more than doubled since 2010 (up 104%). In contrast with the national numbers, however, the most recent year shows an apparent levelling off in the upward trend. Rough sleepers enumerated in 2016/17 totalled 8,108 – only marginally higher than the 8,096 recorded the previous year.

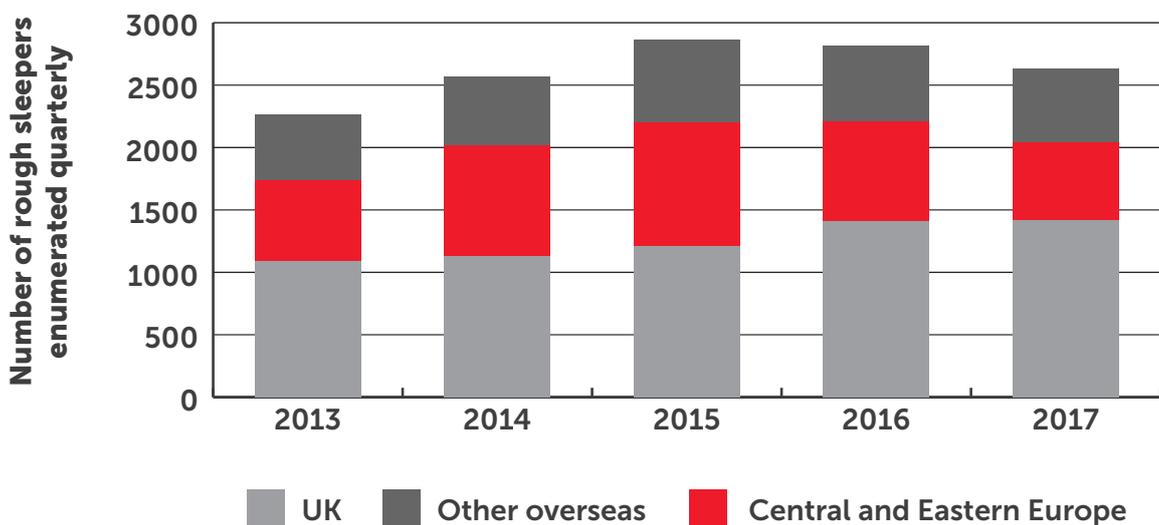
More light is shed on recent trends by Figure 4.5 which focuses on figures for the final quarter of each year since 2013.⁹³ These figures strongly suggest that the overall scale of London rough sleeping has been in decline since 2015. Importantly, however, that development has come about entirely as a result of reductions in homelessness involving non-UK nationals. Rough sleepers of CEE origin logged in Q4 2017 were no less than 37 per cent fewer in number than those recorded in Q4 2015. It should be noted that this comparison allows for changes in the extent of missing data from quarter to quarter. On a similar basis, over the same two year period rough sleepers of other non-UK origin diminished in number by 11 per cent. Rough sleeping involving UK nationals, on the other hand, has continued to rise – albeit by only 1 per cent in the latest year, as compared with a 16 per cent increase in the year to Q4 2016.

⁹² 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.

⁹³ This approach is adopted for simplicity and also to control for seasonality.

Figure 4.4 Rough sleeping in London 2007/08-2016/17: 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.

Figure 4.5 London rough sleepers by nationality: Q4 enumeration 2013-2017

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.

Brexit and (a highly controversial) administrative removal initiative by the Home Office⁹⁴ were two potential explanations offered by our key informants for the recent decline in CEE rough sleepers, though views differed as to the relative significance of these factors:

“I think it’s pretty clear that there are fewer people arriving from Eastern Europe and ending up on the streets... a big reduction in the number of people from Romania and I think that’s probably followed the concerted effort to try and tackle the large groups that are in the West End... It could be that groups are staying more hidden... they could have been pushed out of central London. My sense [though] is... that actually there’s a general reduction. It’s not just a change in recording...I suspect it’s partly to do with Brexit and people feeling like if they’re going to go somewhere they’ll probably somewhere else. I suspect that’s part of it and then there has been the enforcement work as well by the Home Office, which I think has probably deterred some and certainly has led to some being detained and taken off the streets.”

Senior manager, single homelessness service provider, 2017

“...the numbers of Central and Eastern Europeans has gone down dramatically. But that’s not because of the aggressive attitude of the Home Office, which I think has a kind of minimal impact nationally, and even in London, but it’s due to the fact that there’s fewer people coming over, and more going home. As usual, it reflects wider migration figures... it looks, in essence, that the number of people coming over has reduced, particularly Romanians, and there’s been more of a movement back to those countries, and that figure has been very, very stark, quite recently.”

Senior manager, single homelessness service provider, 2017)

The great majority of London’s rough sleepers are part of an annual ‘flow’ of newly enumerated homeless people (see Figure 4.6). However, over 3,000 were classed under the CHAIN system in 2016/17 as ‘stock’ or ‘returner’ cases – people met on the streets in 2016/17 and also logged as rough sleepers in 2015/16 or in a previous year.⁹⁵ While the ‘flow’ cohort slightly contracted in the latest year (3% fewer logged cases than in 2015/16), the ‘stock’ group rose by 8 per cent and returners by 4 per cent. There was particular concern about the recent growth in the ‘stock’ figures by those working in frontline services in London:

94 See also *Gunars Gureckis and others -v- Secretary of State for the Home Department*[2017] EWHC 3298 (Admin)

95 Stock’ cases are those involving rough sleepers enumerated in 2016/17 already logged as such in 2015/16; Flow: rough sleepers enumerated in 2016/17 but never previously seen sleeping rough; Returner: 2016/17 rough sleepers previously logged as rough sleepers before 2015/16, but not in 2015/16.

“...what we’ve seen in London is.. the plateauing of the figures... but an increase in the size of the stock group, and that’s gone up, and that’s carrying on, and indeed [in] the returner group, although it’s the stock group that’s [of] most concern, and an increase in the number of UK nationals sleeping rough, because they dominate within that stock group, and the numbers of new arrivals is going down, so there’s some successes there.”
Senior manager, single homelessness service provider, 2016

Echoing comments made above by LA survey respondents across England, cuts in floating and other support services were highlighted as a key factor:

“Although we often talk about welfare benefit changes, and we talk about the poor levels of house building, for me, and from the world I’m in, it was the Supporting People cuts that really shattered, if you like, the progress we were making. When you see in some local authorities that being 85 per cent cut...”

Senior manager, single homelessness service provider, 2017

While accounting for only one in eight rough sleepers in the latest statistics (13%), numbers in the ‘stock’ and ‘returner’ categories have also recently been growing at a faster rate than

rough sleepers overall. Over the past three years, for example, the ‘stock’ cohort expanded by 40 per cent (to 1,978) while returners increased by 42 per cent (to 1,036). Total rough sleepers meanwhile increased by only 25 per cent (to 8,108). 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 disproportionately growing numbers: how long have they been away, in what forms of accommodation have they been living, and what has prompted renewed homelessness? The issue of people coming back onto the street after appearing to have made an effective transition to accommodation has been of particular concern to the London mayor’s ‘No Nights Sleeping Rough Task Force’.⁹⁶ A recent analysis of people who have come back onto the street from accommodation concluded that this group is made up primarily of UK nationals, with a large number having drug misuse problems who have been evicted, or left accommodation (largely hotels and sometimes self-contained housing) because of behavioural issues.

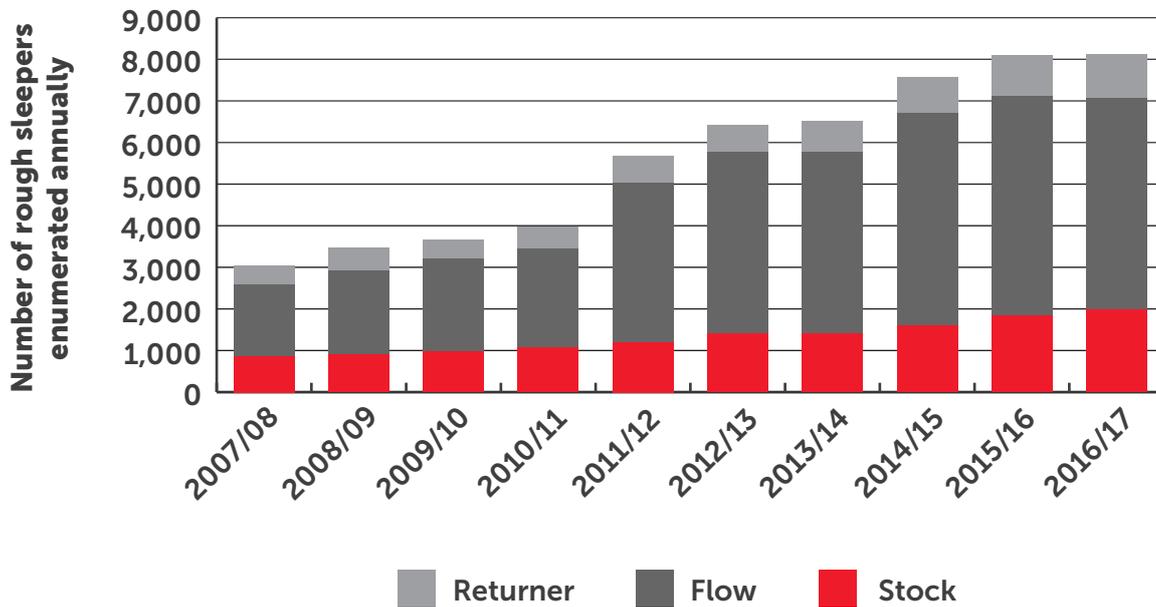
4.3 Single homelessness

Data on single homelessness incidence and trends are at present hard to source. ‘Non-priority’ 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 trend – see Figure 4.8 in the next section.

England’s homelessness legislation provides scope for certain categories of vulnerable single homeless people to be deemed ‘priority cases’ (see

96 See <https://www.london.gov.uk/what-we-do/housing-and-land/homelessness/no-nights-sleeping-rough-taskforce>

Figure 4.6 Rough sleeping in London 2007/08-2016/17: breakdown by stock/ flow/ returner



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

Chapter 3). 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 4.7, such cases grew by only 18 per cent in the seven years to 2016/17, as compared with the 59 per cent increase seen for families and multi-adult households. Or, to put this another way, virtually all of the recent increase in statutory homelessness has resulted from growing numbers of family (or multi-adult) households.

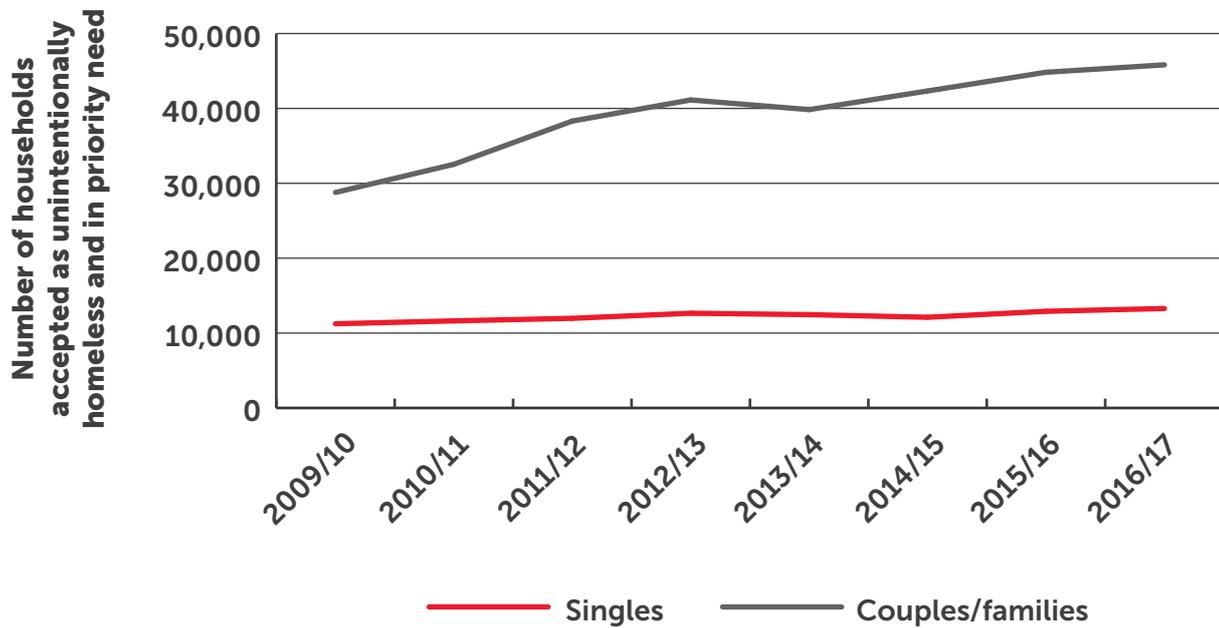
However, at present, the statutory homelessness system excludes many single homeless people, for whom there is no comparable integrated dataset, and where information on this group is compiled it is difficult to say how complete or comparable it is or what degree of overlap exists with the statutory numbers. With the implementation of the HRA in April of this year, and the accompanying overhaul of the statutory homelessness

statistics (see Chapter 3), we would hope to be able to provide a much fuller picture of single homelessness in England, at least that portion of it encountered by LAs, in the next Homelessness Monitor.

In a separate study for Crisis one of the present authors has developed the concept of 'core homelessness' which is essentially a snapshot stock measure of the households/people who are literally homeless at a moment in time.⁹⁷ This comprises a number of elements starting with rough sleeping as conventionally defined, but also including 'quasi rough sleeping' (people in sleeping in tents, cars/vans, public transport), unlicensed squatting, hostels, refuges, shelters, 'unsuitable' TA and 'sofa surfers' (concealed households living on temporary basis with non-immediate family and overcrowded). These estimates draw on a range of sources, particularly surveys asking retrospective questions about homelessness experiences, as well as mainstream official

97 Bramley, G. (2017) *Homelessness projections: Core homelessness in Great Britain*, London: Crisis

Figure 4.7 Trend in single person households accepted as unintentionally homeless and in priority need, 2009/10-2016/17



DCLG statutory homelessness statistics

household surveys. Estimates of core homelessness for England, based on this range of sources and reasonable mid-range assumptions, show an increase from 102,000 in 2011 to 143,000 in 2016, reflecting increases in all elements except hostels, refuges and shelters, with the sharpest increase in unsuitable TA (B&B, nightly let non-self-contained, and out-of-area placements).

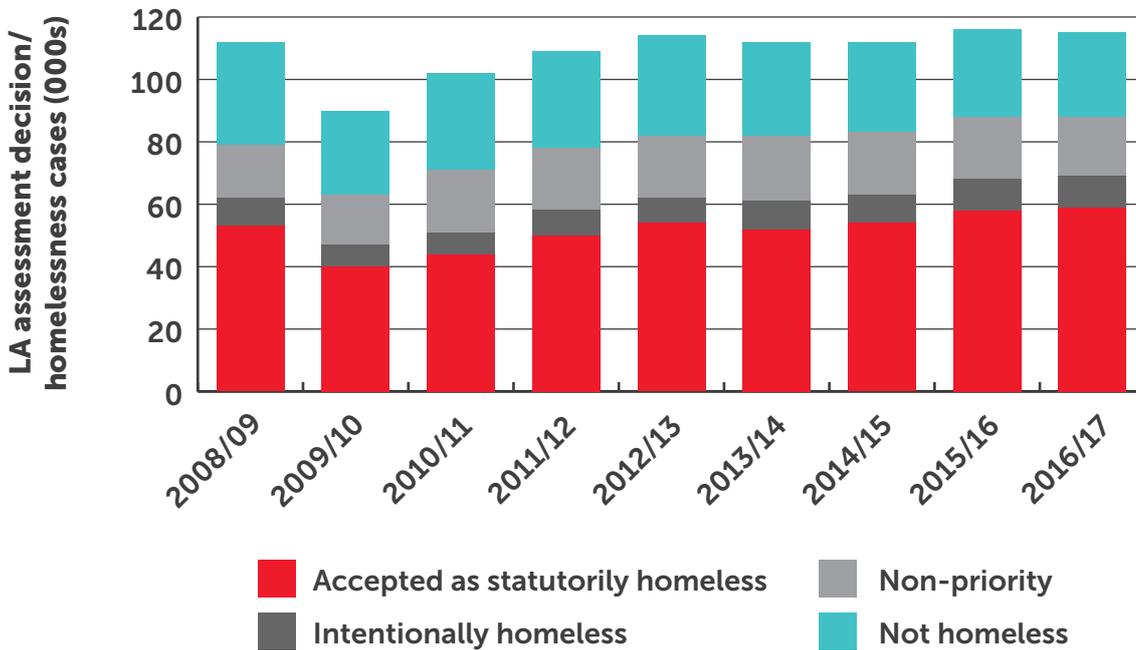
The study is also developing companion concepts embracing estimates and forecasts of other 'wider' and 'at risk' of homelessness groups. This study shows that, hitherto, the statutory homelessness systems statistics in England (discussed below) have provided an inadequate account of core homelessness, because this is substantially a single homelessness issue outside the priority need categories (this should change to some extent post the HRA 2017 implementation, see Chapter 3). However, one can see in Scotland a situation where much more of the overall homelessness picture is

captured in the official local statistics, especially when taken in conjunction with the use of retrospective questions in the Scottish Household Survey.

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 processed under the homelessness provisions of the Housing Act 1996. Historically, the quarterly statistics routinely generated through this system ('homelessness acceptances') 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 and, within that, 'homelessness acceptances' (see

Figure 4.8 Statutory homelessness assessment decisions, 2008/09-2016/17

Source: DCLG statutory homelessness statistics

Figure 4.8). Subsequently, however, the national statutory homelessness caseload largely stabilised. In 2016/17 the total number of formal decisions rose by just 1 per cent to stand at 116,000 – or 29 per cent higher than the 2009/10 low point. Similarly, homelessness acceptances (that subgroup of decisions involving households deemed unintentionally homeless and in priority need) rose 2 per cent in 2016/17 to 59,100 – 48 per cent above their 2009/10 low point.

In interpreting such trends, however, there is a need to factor in changes in administrative practice. Results from the research team's LA surveys in 2014 and 2015 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 disincentive for applicants to pursue a claim of homelessness under the statutory framework – see our 2015 report for fuller explanation.⁹⁸ 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 been rising somewhat more quickly than total homelessness decisions. Thus, expressed as a percentage of formally recorded decisions, the 59,100 acceptances logged in 2016/17 accounted for 51 per cent of total logged decisions, whereas the corresponding statistic for 2009/10 was only 45 per cent (see Figure 4.3). On the face of it, this could suggest local authorities adopting an increasingly 'permissive' or lenient

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

approach to their assessments. 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').⁹⁹

Thanks to such developments the statutory homelessness statistics (particularly 'total decisions') have had a declining value as a reliable indicator of the changing scale of homelessness.¹⁰⁰ This conclusion is strengthened by benchmarking official statutory homelessness statistics against the results of our 2017 LA survey. The DCLG figures for individual local authorities show¹⁰¹ 46 per cent of local authorities recording an increase in statutory homelessness decisions in 2016/17 compared with 2015/16. Conversely, 36 per cent of authorities recorded a decrease. In our survey, however, two thirds of responding authorities (67%) reported that homelessness demand ('people seeking assistance') had increased (see Figure 4.9). Within this (not shown in the graphic, but see Appendix 2, Table 2) 'significant increases' were reported by nearly a quarter (23%). The 11 per cent of survey respondents reporting recently declining demand is in sharp contrast with the 38 per cent recording reduced numbers of decisions in the official DCLG statistics.

This comparison seems highly consistent with the implication of the declining relative incidence of 'non-priority' and 'not homeless' decisions discussed above. Especially

in combination, these findings suggest a strong likelihood that the 1 per cent expansion of 'homelessness expressed demand' in the past year suggested by the official statutory homelessness statistics ('total decisions') substantially understates the true increase.

Regional trends in statutory homelessness

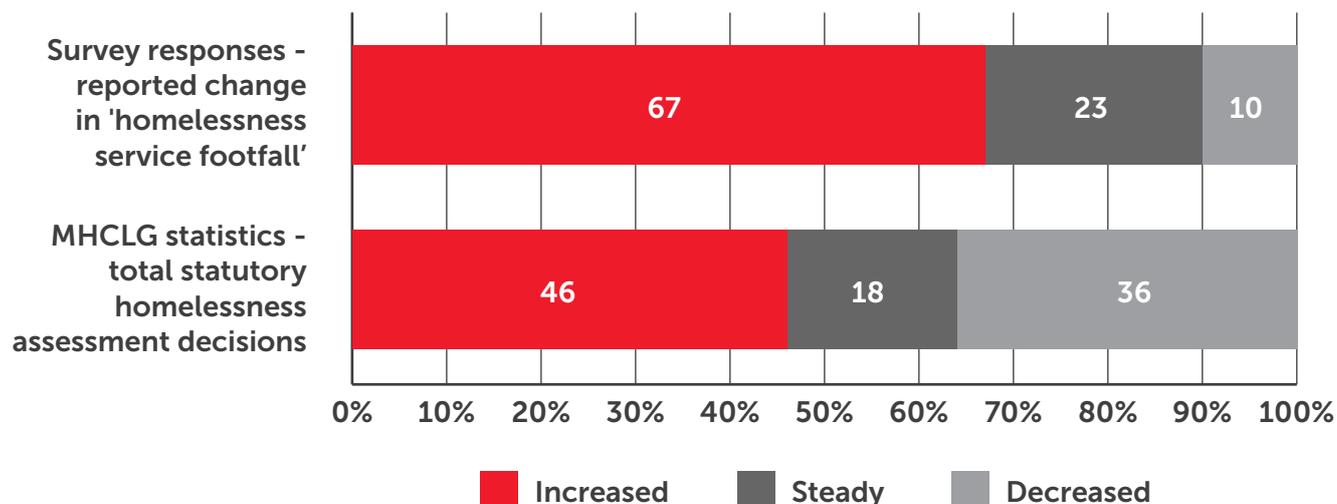
The regional pattern of our survey results on expressed homelessness demand is also notable, as it suggests that – as in 2015/16 – rising homelessness pressures have recently been bearing down most particularly on the South of England and the Midlands (see Appendix 2, Table 2). This year's results show a continuing trend away from a previous pattern in which London stood out as the region in which authorities subject to rising demand were most dominant.

This pattern matches the regional trends discernible from the official statistics too. The 'statutory homelessness acceptances' total for 2016/17 for the North of England remained below the 2009/10 national nadir. For London, by contrast, the latest acceptances figure was almost double (91% higher than) that at the low point of the cycle (see Figure 4.10). Nevertheless, as shown here, 2016/17 saw the first annual drop in London acceptances for seven years. Underlying this development, six boroughs (including Barking & Dagenham, Hackney and Hounslow) recorded reductions exceeding 20 per cent. This could possibly reflect real, underlying change – e.g. resulting from the mass displacement of lower income tenants from parts of London that welfare reform measures have made unaffordable for benefit recipients.

99 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).

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

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

Figure 4.9 Change in overall homelessness 'expressed demand' in 2016/17

Notes: Survey responses to question: 'Has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year?' DCLG statistics categorised as follows: 2016/17 decisions >5% higher than 2015/16='increased'; 2016/17 decisions within 5% of 2015/16='steady'; 2016/17 decisions >5% lower than 2015/16='decreased'.

DCLG and Authors survey of local authorities in England (respondents=186)

Alternatively, the explanation may lie in the realm of administrative effects. Such change might, for instance reflect caseload 'lumpiness' around the processing of applications within financial year periods. Or, on the other hand it may result from changes in administrative procedures around the treatment of applications as within – or outwith – the statutory homelessness framework (see above).

Beyond the London scenario, 2016/17 saw a perpetuation of previous trends, with 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 certain regions (see Chapter 3).

Interpreting trends in homelessness causes

At 59,100, annual homelessness

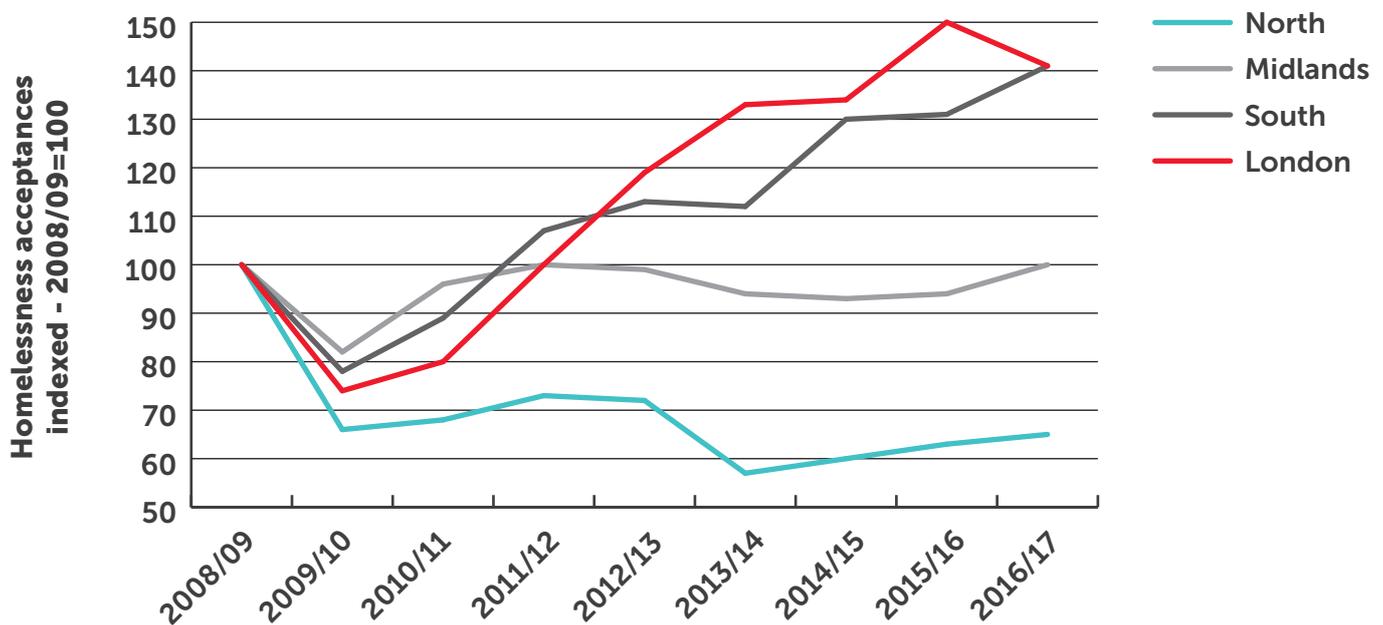
acceptances were some 19,000 higher across England in 2016/17 than in 2009/10. The vast bulk of this increase resulted from the sharply rising numbers made homeless from the PRS with annual losses of Assured Shorthold Tenancies having quadrupled over the period – from less than 5,000 to over 18,000 (18,270) – see Figure 4.11. As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 per cent to 31 per cent (same as in 2015/16) since 2009/10.¹⁰²

As discussed in Chapter 2, most LA survey participants attributed this rising tide of PRS-generated homelessness in recent years to the growing displacement of low income tenants in pressured markets, reflecting their declining ability to compete with higher income groups, especially due to progressively tightening LHA restrictions (see Chapter 3).¹⁰³

¹⁰² Department for Communities and Local Government (2017) *Statutory Homelessness and Prevention and Relief live tables: Table 774 – Reason for Loss of last Settled Home*, Online: DCLG. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

¹⁰³ See also National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

Figure 4.10 Homelessness acceptances, 2008/09-2016/17: trends at broad region level – indexed



DCLG statutory homelessness statistics

In sharp contrast, and as emphasized in Figure 4.11, 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 2016/17 homelessness acceptances). Consistent with housing association statistical returns¹⁰⁴, the homelessness statistics also show no sign of any recent increase in arrears-eviction-triggered acceptances. This has remained extremely low, at around 3 per cent of total acceptances. There can be little doubt, therefore, that homelessness is now far more closely associated with ejection from the PRS than either of the other two major tenures.

Homeless households placed in temporary accommodation

Since bottoming out in 2010/11, homeless placements in TA have risen

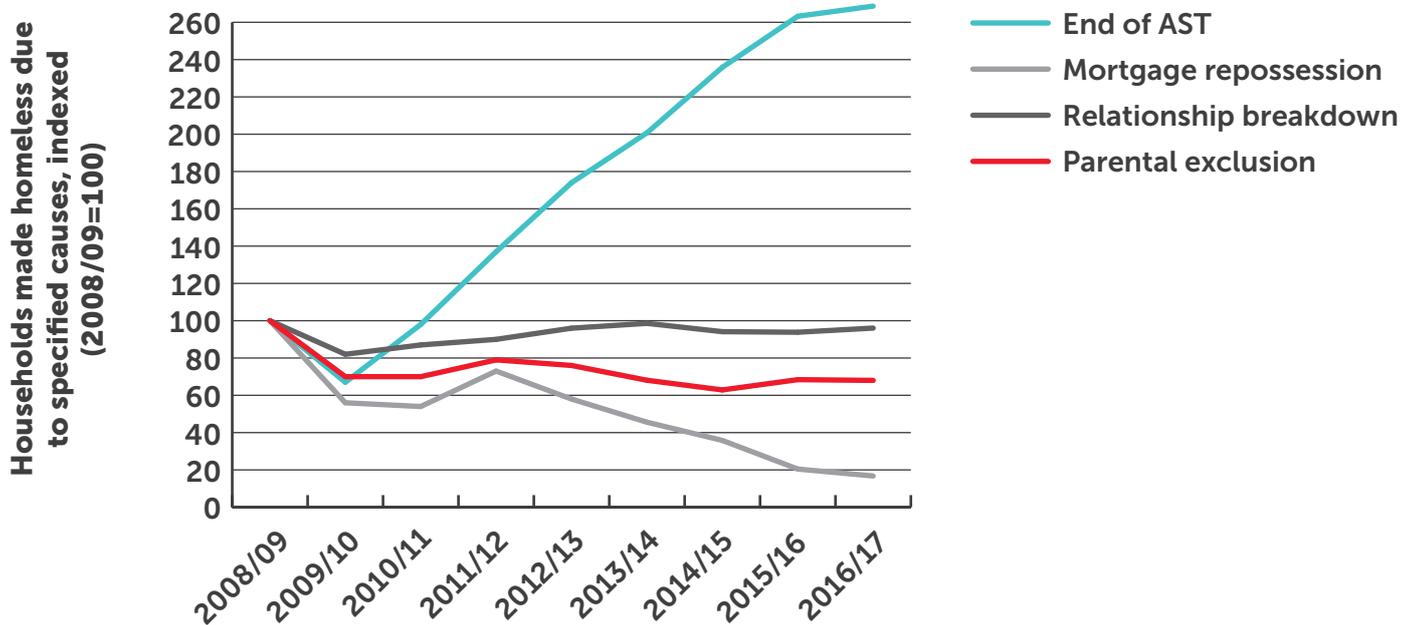
sharply, with the overall national total rising by 8 per cent in the year to 31 March 2017 to reach 78,000 – up by 61 per cent from its low point six years earlier (see Figure 4.12). A continuation in this trend would see placements topping 100,000 by 2020.

TA placements have been rising at around twice the rate of homelessness acceptances – in the period that has seen the former expand by 61 per cent, the latter has grown by only 34 per cent. Relevant here is the recent NAO's analysis demonstrating that, in 2015/16, English LAs spent more than £1.1 billion on homelessness, with over three-quarters of this (£845 million) accounted for by expenditure on TA. Spending on TA (mostly recovered via HB) has increased by 39 per cent in real terms since 2010-11, while spending on preventive homelessness interventions has declined.¹⁰⁵

¹⁰⁴ Homes and Communities Agency (2017) Private registered provider social housing stock in England 2016/17 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/654616/SDR_Statistical_Release_2017_Full_v1.0.pdf

¹⁰⁵ National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

Figure 4.11 Change in number of households made homeless due to selected immediate causes, 2008/09-2016/17 – indexed



Collated from DCLG statutory homelessness statistics

This growing pressure on TA probably reflects shrinkage in suitable LA rehousing resources. Between 2009/10 and 2015/16 social rent lettings by local authorities and housing associations declined by 16 per cent¹⁰⁶ (from 291,000 to 245,000), and there is also evidence of social landlords becoming increasingly risk averse with respect to accommodating benefit-reliant households and those with complex needs (see Chapter 2).

At the same time, benefit restrictions have severely limited access to the PRS in many areas (see Chapters 2 and 3). As one key informant explained:

".. the real problem is the supply side has fallen off a cliff... So councils are just not able, the cases that come through the system, to move them on. Whether that's social housing or whether that's

into the private rented sector, and the impact of that when combined is that obviously the temporary accommodation numbers have gone up disproportionately to the rise in acceptance... A crisis in the supply side, and yet what are the government doing about it? Absolutely nothing."

Independent key informant, 2017

London accounts for over two thirds of the total number of TA placements at any one point in time (54,000 as at 31 March 2016). However, with placements recently rising faster elsewhere in England, this dominance is being eroded.

106 Wilcox S. et al (2017) *UK Housing Review 2017; Coventry Chartered Institute of Housing* (Tables 97 and 99) <http://www.ukhousingreview.org.uk/ukhr17/compendium.html>

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 31 March 2017, B&B placements have risen much faster than other forms of TA. Totalling 6,580, the number of placements was 10 per cent higher than a year previously and 250 per cent higher than in 2009.

Signs of stress are also evident in the substantial levels of out-of-borough TA. As at 31 March 2017 such placements numbered 22,050, most of these the responsibility of London boroughs. At 28 per cent of the national total this represented a large increase on the 11 per cent recorded in 2010/11.¹⁰⁷ Nevertheless, local authorities have succeeded in stabilising this figure over the past two years, following a previously rapid increase.

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..."¹⁰⁸

As highlighted in Figure 4.13, the national non-statutory homelessness prevention caseload has remained far larger than the formal statutory homelessness cohort. The overall volume of such activity remained fairly stable in 2016/17.

The collation of Figure 4.13 embodies our view that the prevention and relief statistics are appropriately included in an assessment of overall 'recorded homelessness demand'. Nevertheless, these numbers remain imperfect for this purpose since they 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. As just noted, the NAO analysis indicates that LA spending on homelessness prevention, support and administration has fallen over the past few years, by 9 per cent in real terms between 2010/11 and 2015/16 (from £334million to £303million).¹⁰⁹

Bearing in mind the findings from our LA surveys in previous years it seems highly likely that funding constraints do in fact 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 remained more or less stable.

The nature of LA homelessness prevention and relief work

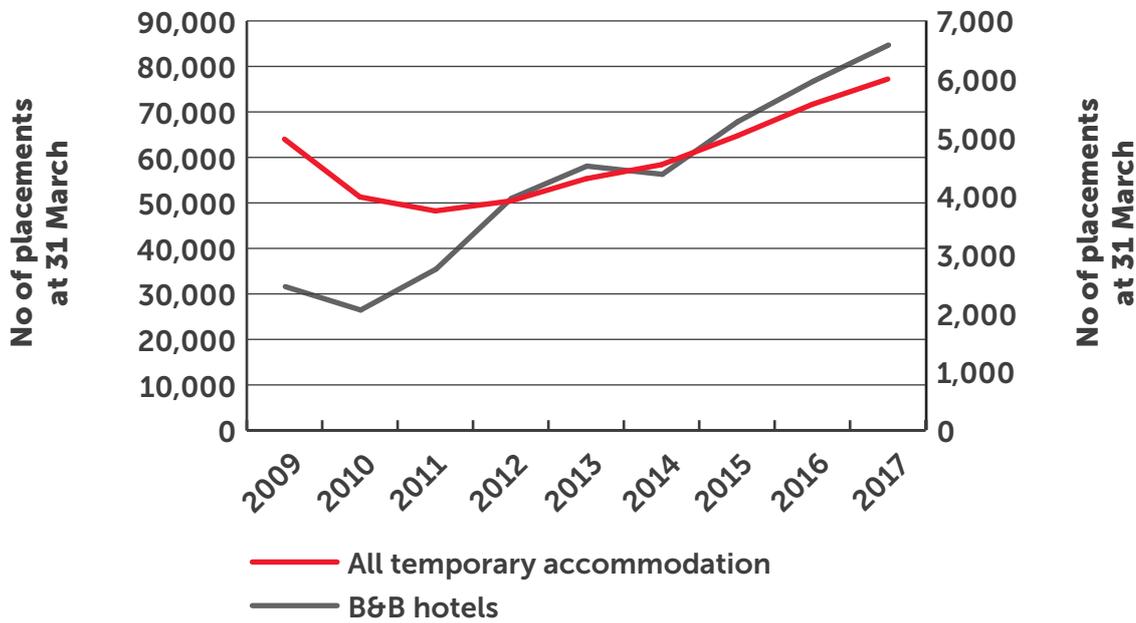
Limited as they are, the data on 'successful' prevention actions does provide an indication of the balance of activities, which has tended to

107 Department for Communities and Local Government (2015) *Statutory Homelessness: April to June Quarter 2015 England*, Online: DCLG. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/463017/201506_Statutory_Homelessness.pdf

108 Ministry of Housing, Communities and Local Government (2013) *Homelessness data – notes and definitions*. Online: MHCLG. <https://www.gov.uk/homelessness-data-notes-and-definitions>

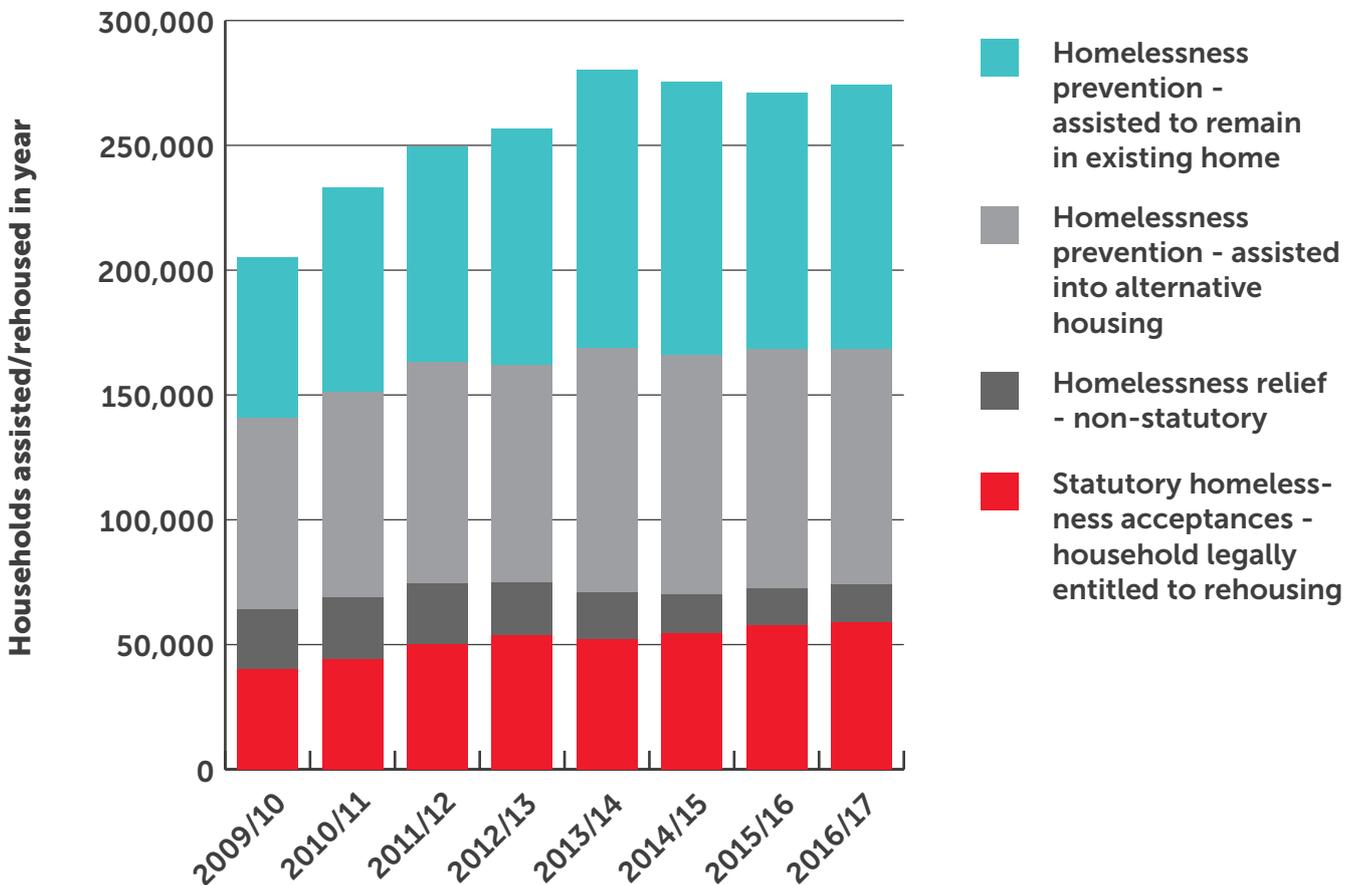
109 National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.

Figure 4.12 Local authorities' use of temporary accommodation for homeless households



DCLG statutory homelessness statistics

Figure 4.13 Overview of local authority action to assist homeless (and potentially homeless) households, 2009/10-2016/17



shift towards helping service users to *retain existing accommodation* rather than to *obtain new housing*. As shown in Figure 4.14, 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 almost 50 per cent.

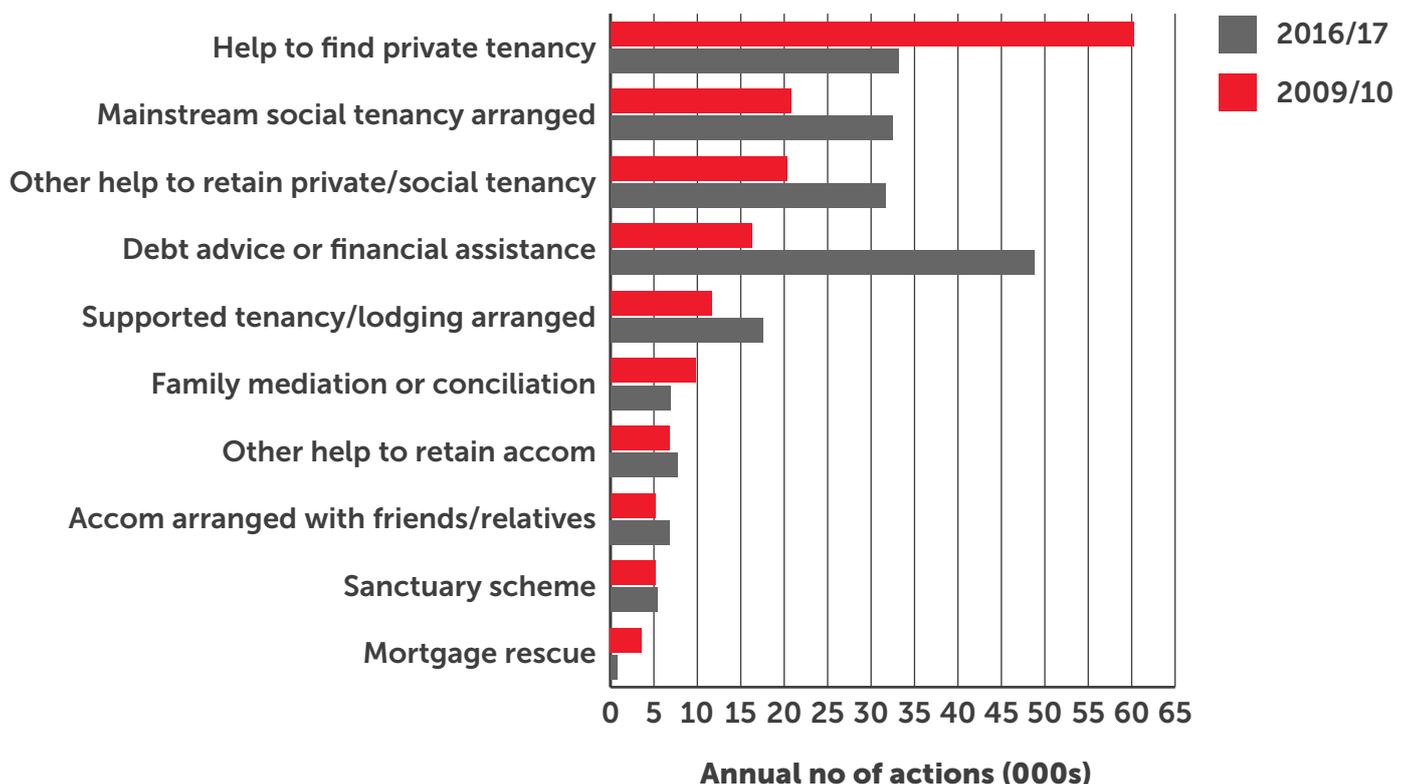
Looked at in a longer-term perspective, the most striking homelessness prevention 'growth activity' has involved debt advice and financial assistance which, in 2016/17, accounted for almost 50,000 prevention instances – up from only 16,000 in 2009/10 (see Figure 4.14). This would seem highly consistent with the impacts of 'welfare reform' on those in precarious housing circumstances (see Chapter 3).

In understanding the falling numbers of prevention actions involving assisted

access to private tenancies it is once again relevant to refer to this year's LA survey findings. Explaining challenges encountered in securing mainstream private tenancies, many respondents – especially in London and the South – referred to tightening private rental markets that were becoming increasingly difficult to access as market rents become increasingly detached from local LHA rates:

"LHA rates are now inadequate in large swathes of the borough... as rent levels have started to exceed what LHA will cover by a significant margin. For 3 beds, our most acute area of under supply, it may be a gap of several £100s."
LA respondent, London, 2017

Figure 4.14 Local authority homelessness prevention and relief activity, 2009/10-2016/17



“LHA rate and actual private rents are too far apart ...particularly for shared accommodation.”

LA respondent, the South, 2017

“Almost impossible to access PRS for people on LHA.”

LA respondent, the South, 2017

“It is pretty much impossible to access the private rental sector. The cost of doing so is prohibitive and the solution is unsustainable because of the massive disparity between LHA rates and market rent.”

LA respondent, the Midlands, 2017

A second frequently cited issue was the related, but distinct, problem of landlords being unwilling to accept benefit-dependent tenants:

“Landlords and agents becoming more reluctant to let to households on HB/UC even where in employment.”

LA respondent, the South, 2017

“Landlords are increasingly cautious regarding who they take on and refusing clients on Universal Credit.”

LA respondent, the Midlands, 2017

An increasingly common expectation around guarantors was another issue mentioned by numerous respondents as a growing limitation:

“Private landlords are ... looking for guarantees and

most customers don't have ... anyone to help them with this.”

LA respondent, the South, 2017

“The difficulty customers have in finding a suitable guarantor (that meets landlord and letting agents' criteria) – the Council will not act as a guarantor due to the financial liability involved.”

LA respondent, the South, 2017

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). There is a spectrum of situations, and in recent research for Crisis we have developed the concepts of 'core' and 'wider homelessness', the latter referring to existing or potential households who lack their own separate, secure accommodation, households at tangible risk of losing existing accommodation, as well as those who may have experienced a homelessness episode but are yet to achieve a settled housing solution. 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 and the Labour Force Survey (LFS)¹¹⁰ ask questions about the composition of the household which enable the presence of 'additional family/single units' to be identified.¹¹¹

In 2017, there were about 4.85 million households (21.4% of all households) which contained additional family units, based on the LFS. Of these, 287,000 (1.2%) were cases of couples or lone parent families living with other households, while 1.55 million (6.8%) were cases of unrelated one person units (i.e. excluding never married children of the main householder) and 3.26 million (14.4%) were cases of non-dependent adult children living in the parental household, as shown in Figure 4.15. These numbers were a slight increase (of just under 100,000 households) on 2016, mainly in the nondependent children category.

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% of all households, double the national rate). EHS data show that additional family/unrelated singles units are more noticeable in larger urban areas, particularly in London, as well as in more deprived neighbourhoods.

The proportion of households with non-dependent children has been relatively static at around 14-15 per cent 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 2013¹¹² 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.

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 2.32 million households containing concealed single persons in England in early 2017, in addition to 282,000 concealed couples and lone parents. We estimate that the number of adults in these concealed household units amounts to 3.38 million. These numbers represent broad stability alongside the estimates presented in recent Monitors but a rise of 33 per cent since 2008.

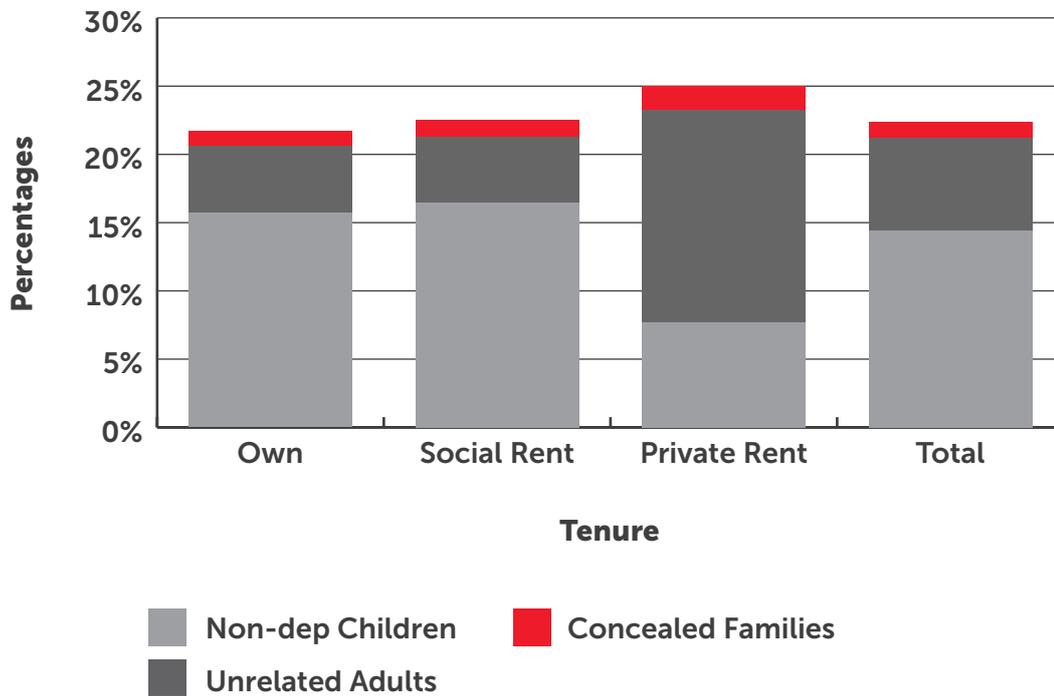
Figure 4.16 looks at the proportion of concealed single person households (the main area of interest and change) over time since 1991 compared with the rate of formation of new households each year. This chart

110 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.

111 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).

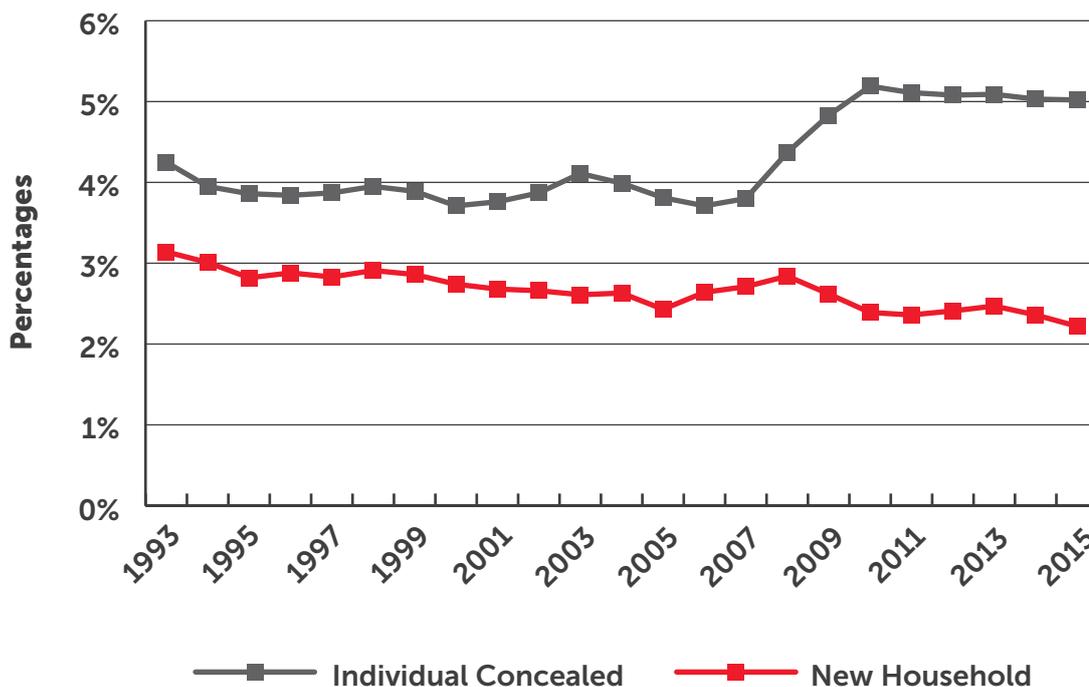
112 Office for National Statistics (2014) *Large Increase in 20 to 34 Year Olds Living with Parents Since 1996*. <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html>.

Figure 4.15 Households containing potentially concealed households by tenure, England 2017



Labour Force Survey, Quarter 2 2017

Figure 4.16 New household forming rate and individual concealed households, England 1992-2015



British Household Panel Survey 1992-2008; Understanding Society 2009-15; English Housing Survey 2009-15.

Note: three-year moving average, apart from 2015 which is based on 2 years.

uses data from an analysis of the longitudinal surveys, the British Household Panel Survey and the new USS, as well as EHS and has smoothed out the year-to-year sampling fluctuations using a moving average. There is clearly evidence of a general downward trend in new household formation from 1991 to 2015. As we would expect, the proportion of concealed single households¹¹³ represents something of a mirror image of the new households line, with a notable rise after 2007, persisting through to 2015.

Figure 4.16 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.¹¹⁴

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 a previous 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 4.17 shows that the recent trend has been for moves by new households

into private renting to continue to fall markedly, while new formation directly into home ownership remains at a low level and has fallen in the most recent year. The contribution of social renting has picked up a little following its fall in the previous year.

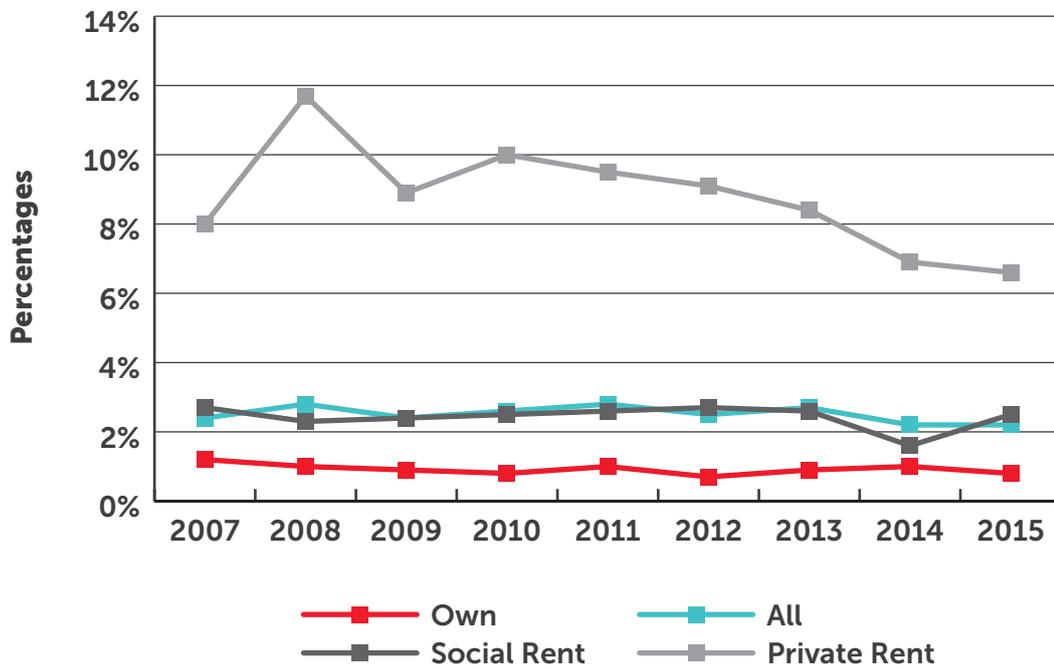
Another indirect indicator of concealed households is (reduced) household 'headship'. The propensity of individuals within given age groups to form ('head') separate households is a conventional way of measuring household formation. Figure 4.18 illustrates rates for younger adults for selected regions facing very different economic and housing market conditions, over a period of a quarter of a century. For the North East, where housing pressure was least, the proportion of 20-29 year olds heading households fluctuated somewhat around a relatively high rate of 35 per cent, but dropped noticeably in the last two years. In the East Midlands and the South West, rates started at a similar level but fell to just under 30 per cent at the end of the period. In the South East and London, rates fell 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 (24-24% vs 34-36%, comparing 2017 with 1992). These longer and more pronounced declines are clearly a reflection of prolonged and more intense housing market pressure. The upward blip in 2010 may have reflected the availability of private rental lettings. Data from the EHS is broadly consistent. This seems likely to be associated with the impacts of a tight housing market and also of worsening real income/living standards among younger working age people in this period.¹¹⁵

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

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

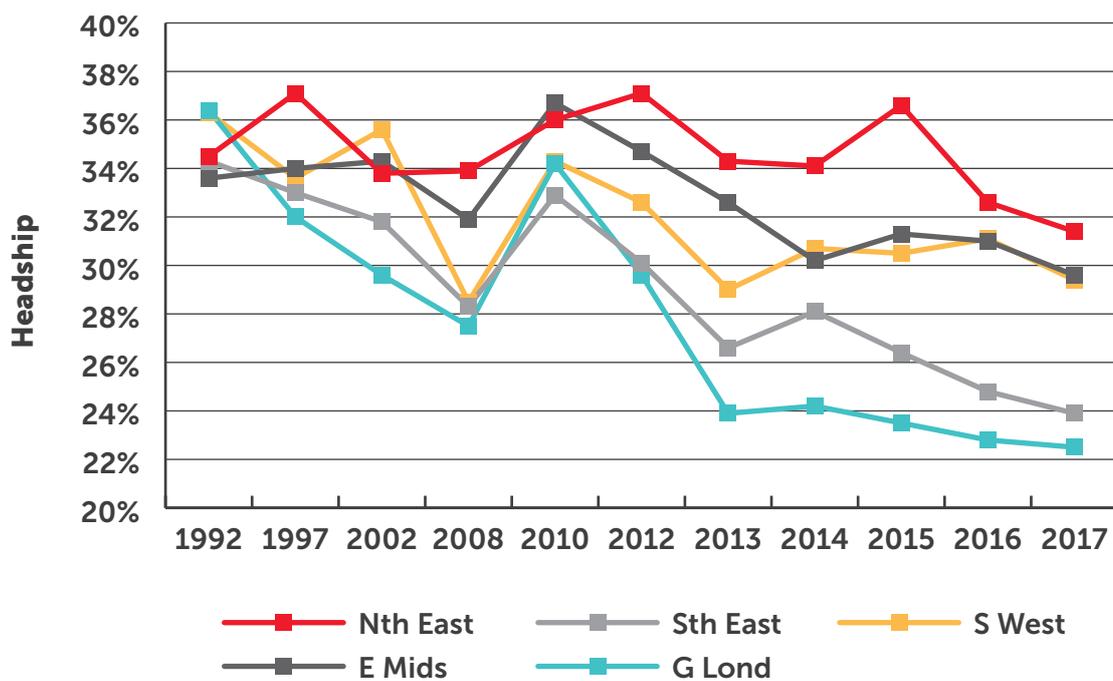
115 Gordon, D., Mack, M., Lansley, S., Main, G., Nandy, S., Patsios, D., Pomati M. & the PSE team from the University of Bristol, Heriot- Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen's University Belfast, University of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

Figure 4.17 New household formation rates by tenure, England 2007-15
(percent of households in each tenure)



English Housing Survey (various years)

Figure 4.18 Headship rates for 20-29 year olds, selected English Regions 1992-2017



Labour Force Survey (various years).

This evidence shows that, a decade after the onset of the financial crisis and recession, and despite gradual improvements in employment levels and 'recovery' in the housing market, the chances of many young adults being able to form separate households are severely diminished.¹¹⁶ They are forced to live with families or others as part of the wider group at risk of homelessness and over time such pressures will often lead to such arrangements breaking down, spilling over into actual homelessness.

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 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, and 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 adulthood¹¹⁷, albeit that access to this form of accommodation is very challenging in many parts of the country (see Chapter 2).

According to the LFS, 1.83 per cent of households in England shared in 2017 (quarter 2), a significant increase on the 1.46 per cent recorded one year earlier. Sharing was most common for single person households (4.2%),

but was also found amongst couples (2.1%), and lone parent households (1.6%) (see Figure 4.19). Increases in sharing were most marked for families and (single) pensioners. Sharing is particularly concentrated in private renting (4.8%) but has grown sharply in the social rented sector (from 1.7% to 3.4% in one year) and is not unknown even in the owner occupier sector (0.5%). It is much more prevalent (and growing) in London (6.1%), as one would expect, and the next highest regions are the South West (2.6%) and North West (1.6%). Sharing is relatively less common in Yorkshire and the Midlands.

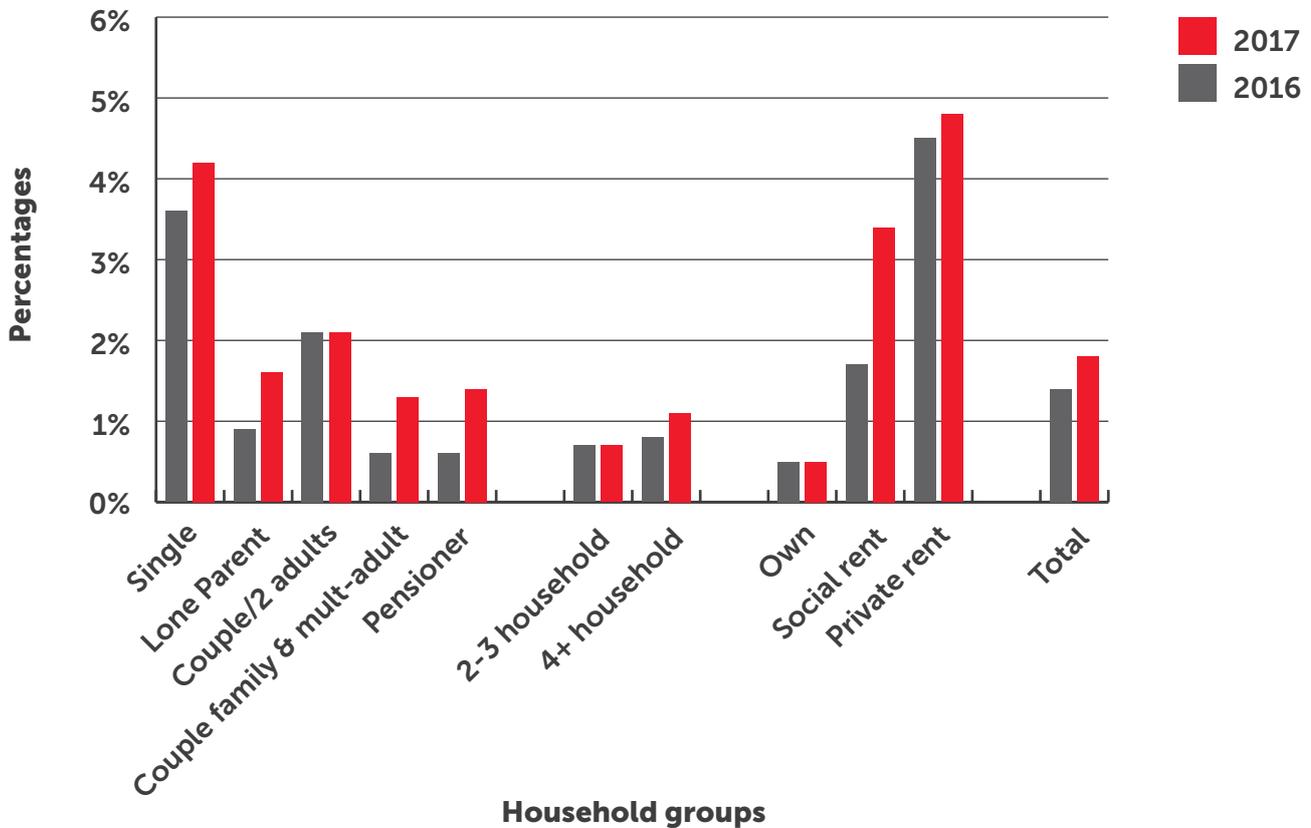
Sharing saw a long-term decline, which may reflect improving housing availability over the past several decades, but also probably changes in the PRS and its regulation. The trajectory of sharing over time is shown in Figure 4.20 below. This showed a pronounced decline in the 1990s and a slight further 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.

While for a couple of years it was uncertain whether this was a blip, it now appears that sharing has turned up significantly. Sharing is now at its highest rate for 20 years, according to the LFS.

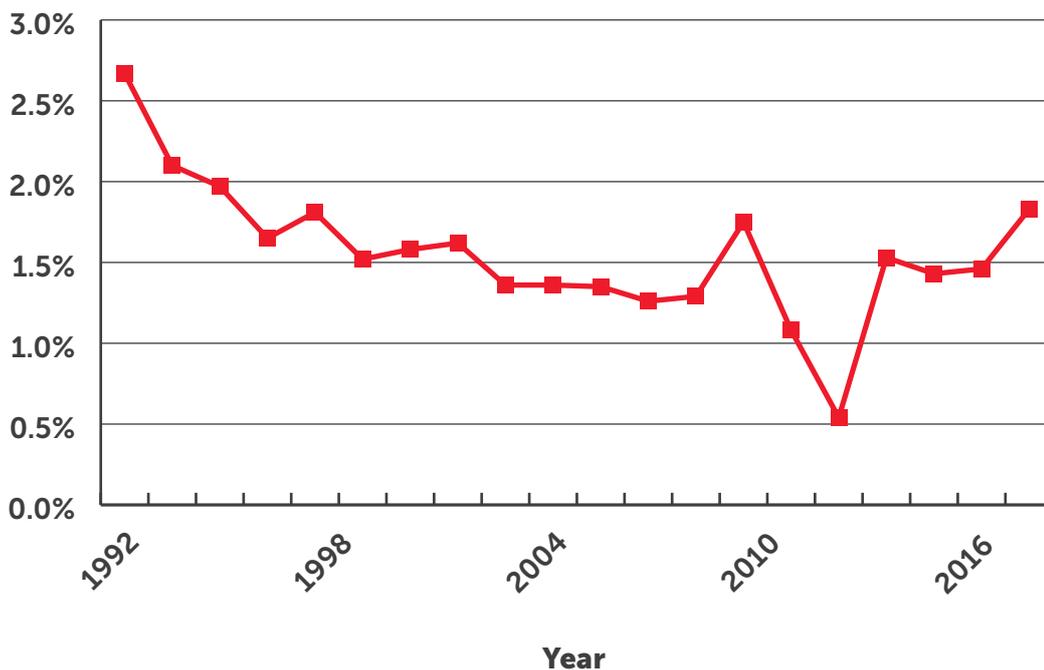
The LFS also shows that relatively more of the rise in sharing has been in the

116 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.

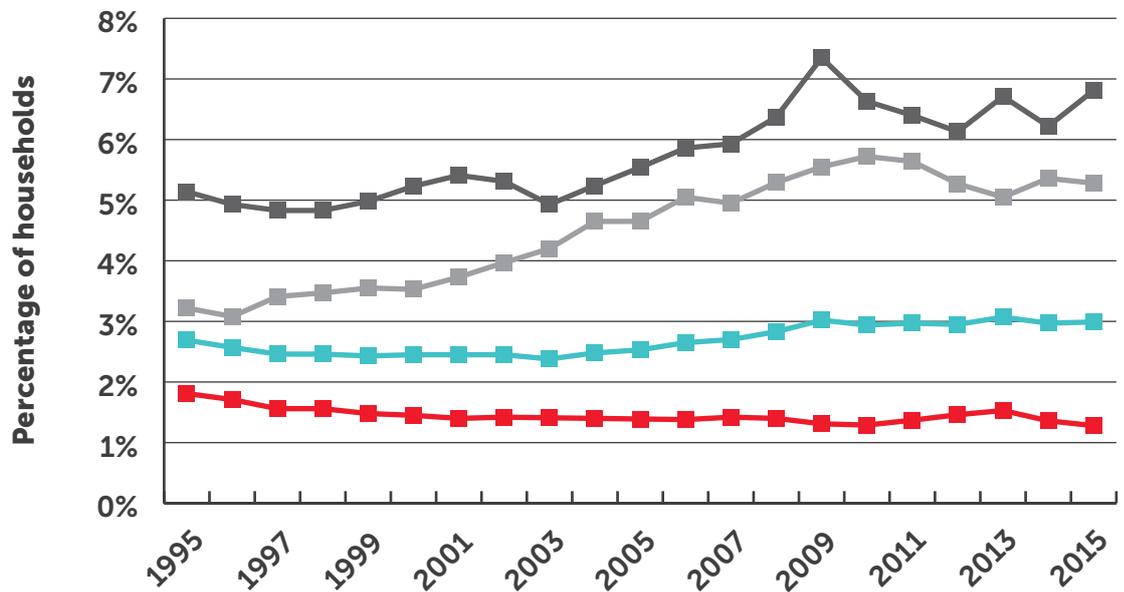
117 For example, Crisis' Sharing Solutions Schemes (<http://www.crisis.org.uk/pages/sharing-solutions-schemes.html>) and Thames Reach's Peer Landlords Scheme (<http://www.commonwealhousing.org.uk/our-projects/peer-landlord-london>).

Figure 4.19 Sharing by Household Type and Tenure, England, 2016 and 2017

Labour Force Survey, Q2 2015.

Figure 4.20 Sharing households in England 1992-2016 (per cent)

Labour Force Survey (various years)

Figure 4.21 Overcrowding by tenure in England 1995-2014 (per cent)

Survey of English Housing/English Housing Survey

Note: all based on 3-year average except 2013 and 2014 (2 year average)

categories of 4-9 or 10+ households sharing a dwelling unit. This suggests a rise in larger-scale shared housing units, which may include newer forms of student accommodation, as well as some other bedsit and 'Board and Lodging' types of accommodation, including the 'Unsupported Temporary Accommodation' which has been the focus of some recent research and initiatives.¹¹⁸

The increase in sharing should not be a surprise; rather, we might be somewhat surprised at how long it has taken to work through into the statistics, given the extension of the SAR to 25-34 year olds, as well as the other limits on LHA (see Chapter 3). But given the acute demand pressures on a limited supply of shared

accommodation in many areas, some of the additional people affected by these restrictions may have become 'concealed households', rather than sharing households. However, it is now overt sharing which is increasing more.

Overcrowding

Figure 4.21 summarises trends in overcrowding by tenure in England between 1995 and 2015¹¹⁹ based on the 'bedroom standard'.¹²⁰

Overcrowding 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. Broadly one could describe overcrowding as having plateaued since 2009. On the most

118 Rose, A., Maciver, C., & Davies, B. (2016) *Nowhere fast: The journey in and out of unsupported temporary accommodation*, Online: IPPR. <https://www.ippr.org/publications/nowhere-fast-the-journey-in-and-out-of-unsupported-temporary-accommodation>

119 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

120 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.

recent figures, 678,000 households (3.0%) were overcrowded in England. Overcrowding is less common and declining in owner occupation (1.3%) but much more common in social renting (6.8%) and private renting (5.3%). The upward trend in overcrowding was primarily associated with the two rental tenures.

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 2014/15. The next worst region for overcrowding is the West Midlands (2.9%), followed by the South East (2.6%).

Overcrowding can be quite a persistent experience for the households affected. As reported previously in the Monitor,¹²¹ 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 modelling of overcrowding showed that this was clearly related to housing market conditions, employment, and poverty as well as demographic factors.¹²²

4.7 Key points

- An ongoing upward trend in officially estimated rough sleeper numbers remained strongly evident in 2017, with the national total up by 169 per cent since 2010. The more robust statistics routinely collected by the 'CHAIN' system similarly show London rough sleeping having more than doubled since 2010. Latest figures show London rough sleeping involving UK nationals continuing to increase very slightly. However, thanks to a sharp contraction in street homelessness involving those of CEE and other non-UK origins, overall London rough sleeping has marginally reduced since 2015.
- At just over 59,000, annual homelessness acceptances were some 19,000 higher across England in 2016/17 than in 2009/10. With a rise of 2 per cent over the past year, acceptances now stand 48 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.
- 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 quadrupled over the period – from less than 5,000 to over 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. With homelessness acceptances prompted by mortgage repossession or social sector rent arrears remaining at historically low levels, there can be little doubt that statutory homelessness is now far more closely associated with ejection from the PRS than from either of the other two major tenures.
- Regional trends in homelessness have remained highly contrasting, with acceptances in the North of England in 2015/16 still below the 2009/10 national nadir, while in London the latest figure was almost double (91% higher than) than that at the low point of the cycle. However, the 2016/17 saw the first annual drop in London acceptances for seven years and both these statutory homelessness statistics and our 2017 LA survey indicate that rising homelessness pressures are now bearing down most heavily on the

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

122 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.

South of England and, to a lesser extent, the Midlands. This suggests that some of the extreme pressure that has accumulated in London over recent years has now transferred beyond the capital's borders.

- Since bottoming out in 2010/11, homeless placements in TA have risen sharply, at twice the rate of homelessness acceptances, with the overall national total increasing by 8 per cent in the year to 31st March 2017; up 61 per cent on the low point six years earlier. A continuation of this trend would see placements topping 100,000 by 2020. Though accounting for only 9 per cent of the national total, B&B placements have been rising particularly quickly, and now stand 250 per cent higher than in 2009. Analysis by the NAO indicates that LA spending on TA increased by 39 per cent in real terms between 2010/11 and 2015/16, while expenditure on homelessness prevention declined.
- Numbers of concealed households remain high in England despite ostensibly favourable employment conditions and a recovering housing market. There were 2.32 million households containing concealed single persons in England in early 2017, in addition to 282,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.38 million.
- The ability of younger adults to form separate households continues to fall in all regions and has dropped by nearly 40 per cent in London since the early 1990s. The annual rate of new household formation, particularly into private rental housing, has dropped sharply since 2011, and new household formation in 2014 and 2015 was lower than in any year since the mid-2000s. This is indicative of continuing constraints on available supply through lower turnover, and inadequate new build supply, as well as affordability problems.
- The previous decline in sharing has been decisively reversed, with pronounced increases since 2014 including in 2017. This increase must reflect changes in welfare support with housing costs, particularly the SAR, as well as general pressure on the housing market. There are signs of change in the types of shared accommodation, with an increase in cases of sharing with larger numbers of other households.
- On the most recent figures 678,000 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.

Conclusions

5. Conclusions

The most notable homelessness-specific policy development over the past year, the passage of the Homelessness Reduction Act 2017, is the predominant theme in this year's Monitor. The new legislation, due to come into force in April 2018, seems to have garnered substantial cross-sectoral support, and an apparently growing consensus behind it. The emphasis on earlier preventative interventions, on meaningful support for single people, and on a balance of responsibilities between local authorities and households at risk of homelessness, appears to have won the assent of most key groups of stakeholders. At the time of writing, the government had just published the new Homelessness Code of Guidance which updates existing guidance and covers the duties brought in by the Homelessness Reduction Act. The new Code focuses tightly on the legislation and less on providing general good practice guidance. Many aspects of the draft Code were welcomed by our key informants, but much will depend on the complementary role expected to be played by code(s) of practice yet to be issued by Ministers.

While the adequacy of the 'new burdens' funding to support local authority implementation of the 2017 Act, and its distribution and non-ring-fenced status, has, unsurprisingly, prompted considerable debate, the more fundamental issues relate to the extraordinarily difficult and in many ways deteriorating structural

context within which this progressive legislation is being implemented. This year's Homelessness Monitor has, again, provided evidence of the profound, cumulative and adverse impact of welfare reform on access to housing for low-income groups, especially in high value markets. The options are narrowing for local authorities charged with preventing and resolving homelessness, as benefit-reliant households are entirely priced out of the private rented sector in some parts of the country. At the same time, homeless people's access to a diminishing pool of social tenancies is increasingly constrained by landlords nervousness about letting to households whose incomes are now so very low that even properties let at social rents can be unaffordable to them. The now definite upward trend in sharing households, and the declining ability of younger adults to form separate households across England, is testimony to the growing pressures in the market more broadly. While much attention has (rightly) focussed on the structural difficulties, such as waiting times, associated with Universal Credit, such as waiting times, the more fundamental and pernicious impacts for the poorest households are associated with the caps and freezing of Local Housing Allowance and other working age benefits.

The extent to which homelessness has shot up the media and political agenda over the past year is striking. It feels like it is, finally, an issue

that can no longer be ignored as 'collateral damage' in the course of welfare reform and retrenchment. Possibly most dramatic has been the intervention of the National Audit Office whose carefully worded but nonetheless damning report on the Government's record on homelessness was published in the early autumn. Via their own bespoke analysis, the National Audit Office highlighted the link between Local Housing Allowance shortfalls and homelessness trends, particularly the sharp upswing in homelessness precipitated by the ending of assured shorthold tenancies. This official report also criticised the Department for Work and Pension's failure to fully assess the impact of its welfare reforms on homelessness, and denounced the inadequacy of the former Department for Communities and Local Government's 'light touch' approach to working with local authorities on homelessness. This light touch approach is a direct consequence of the political commitment on the part of both Coalition partners to the notion of 'localism' agenda, the negative homelessness impacts of which have been long been flagged by the Monitor over a number of years. The National Audit Office report was followed by an evidence session with the Public Accounts Committee for officials from both the Department of Communities and Local Government and Department for Work and Pensions. The resulting report described homelessness as a "national crisis" and denounced the Government's "attitude" to this issue as "unacceptably complacent". At the time of writing the Government's formal response to the Public Accounts Committee report is still awaited.

Whether directly linked to these developments or not, it is discernibly the case that the current Government has adopted a softened stance on a number of relevant welfare and housing issues as compared with the previous Coalition and Conservative

administrations. It certainly seems somewhat more ready to intervene in the 'broken' housing market than its predecessors, and to be pursuing working age welfare cuts with somewhat less ideological zeal. It is notable, for example, that virtually all Universal Credit applicants under 22 who applied for support with housing costs have been found 'exempt' from regulations designed to exclude them. Nonetheless, commentators looked in vain for a commitment to a major social housing building programme in last year's Budget. Likewise, the working through of the main welfare cuts still in train appears set to continue, with the very welcome exception of the application of the Local Housing Allowance caps to social tenants.

There were also a number of specific commitments on homelessness announced in the Autumn 2017 Budget, including investment in a national Private Rental Access Scheme and substantial funding for three Housing First pilots. With the establishment of the Rough Sleeping and Homelessness Reduction Taskforce, and its supporting Rough Sleeping Advisory Panel, the current Government has recognised that public and media concern over rough sleeping has reached levels that are unprecedented over the past two decades, reminiscent instead of the late 80s and early 1990s perhaps, and therefore the second specific theme in this year's Monitor. This heightened political focus on rough sleeping has also been prompted by the near trebling of its levels as enumerated in the official national estimates. While there is widespread, and well founded, scepticism about the veracity of these official figures, few would dispute that the underlying national trend has been upward since 2010, albeit that there are indications that overall levels may have recently peaked in London.

This concern about rough sleepers may also be borne of a recognition

that this group perhaps have less to gain from the passage of the Homelessness Reduction Act than might have been wished. An emergency accommodation 'nowhere safe to stay' duty, for which some single homelessness charities had lobbied hard, was not included in the new legislation. Also relevant here is the knowledge that, for many people sleeping rough, access to adequate health and social care provision, especially mental health and substance misuse services, is as important as housing interventions. While the now officially-endorsed push towards Housing First options for rough sleepers with complex needs is a very positive development over the past year, this must be set alongside reports that the threshold for access to mental health and social care provision continues to rise in many parts of England, excluding some of the most vulnerable street homeless people. Difficulties in accessing health and social care services may well compromise attempts to provide the 'wrap around' support required to make a success of Housing First.

The funding of temporary and supported housing continued to exercise virtually all stakeholders we interviewed. Interestingly, though, there are decidedly mixed views on the Government's current proposals on short-term supported accommodation, which would involve taking these housing costs out of the mainstream benefit system altogether and instead providing funding via a ring-fenced pot allocated by local authorities. On the one hand, many commentators are firmly opposed to taking these rental costs out of the entitlement-based, demand-led Housing Benefit system. Moreover, mindful of the recent history of massive cuts in Supporting People funding since 2010, some stakeholders take little comfort from the initial ringfence on this new funding pot being proposed by Government.

Other commentators acknowledge these fears but take the view that the proposed new model is a positive and appropriate measure, which recognises the very different status and cost structure of this form of accommodation from self-contained, general needs units. This latter camp also stress that the new arrangements will significantly ease barriers to work for residents who will no longer be subject to high rents and earnings taper rates, and that significant portions of staff time will no longer be absorbed dealing with Housing Benefit claims. The merits of the case presented by both sides depend to a large extent on details still to be worked out, and it will be fascinating to see how this story, crucial to the entire homelessness sector, evolves over the coming years.

Another key unfolding story relates to the devolved city regions, and high profile mayoral commitments to address homelessness, particularly in Greater Manchester, Liverpool and the West Midlands, as well as in London. While the cities' devolution 'deals' differ in their details, in all cases the mayors lack formal powers with regard to homelessness, and the relevant duties and responsibilities continue to rest with the local authorities. Nonetheless, these mayoral initiatives appear to be galvanising significant enthusiasm and momentum behind cross-border and inter-sectoral approaches. It is too early to identify concrete outcomes, but the Monitor will closely track their progress over the next three years. At the same time, it is worth emphasising that, whatever the hopes invested in city regions and directly elected mayors, the overwhelming message from across the key informants this year was to emphasise the need for national leadership and a national strategic focus which takes concrete steps to address the underlying structural drivers of homelessness, particularly with respect to welfare reform.

The coming year sees the coming into force of the Homelessness Reduction Act 2017 and, much less positively, the continuing implementation of welfare cuts and freezes that have already done so much to exacerbate homelessness. Concerns about the homelessness impacts of the Local Housing Allowance limits and roll-out of Universal Credit are continuing to intensify. Those impacts are accentuated by the historically low levels of social sector lettings. However, the profile and energy being given to homelessness as an acknowledged 'national crisis' in England is certainly much greater than anything we have seen thus far since the Monitor series commenced in 2011. This may help to inspire and maintain some much needed focus on access to housing for those on the very lowest incomes in England and elsewhere in the UK. Let's hope so. We look forward to tracking the full range of economic and policy developments affecting homeless people and those at risk of homelessness over the coming year and beyond, until the end of the current Monitor series in 2020.

Appendix 1 Topic Guide (2017)

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 (i.e. more/less vulnerable, 'legal highs', etc)
- triggers for homelessness/crisis situation, etc. (are they changing etc.)

3. Homelessness Reduction Act/homelessness policies

- How familiar are you with the Act and its implications?
- What do you think its main strengths/weaknesses are?
- What are the main *implications* for homeless households/your client group?
- What is (are) the view(s) of the LA(s) (in your area) (if feel able to comment)?
- Is the £72.7 million 'new burdens' HRA money sufficient?
- Have you looked at all at the NAO report on homelessness? What did you think? Did you see the PAC Inquiry/written evidence? Any views on that?
- What do you make of the draft Homelessness Code of Guidance? Are you planning to respond to the consultation (deadline 11th Dec). Anything written on this you can share with us?
- Have you been involved in DCLG discussions about changes in P1E/prevention/single/rough sleeping stats? Any views to share?
- What do you make of the Budget announcements on homelessness - £28million on 3 HF pilots; £20million on PRS access; Homelessness Reduction Budget?
- And on housing - extra £2billion for affordable; £10billion for Help to Buy etc.

4. Impacts of Government welfare/other related policies

- Probe:
- (a) Welfare reform – views on homelessness impacts of
 - LHA freeze/caps (including SAR) - but also removal of LHA threat from SRS
 - Reduced total benefit cap
 - removal of automatic entitlement to housing support for 18-21 year olds? What do you make of exemptions?
 - Universal Credit roll out - and Budget announcements e.g. on 7 day waiting period, changes to advance payments etc.
 - Overall working age benefit freeze
 - Other WR e.g. sanctions, Discretionary Housing Payments, Bedroom Tax, NDDs, LWF, IB/ESA/PIP etc.
- (b) Changes to short-term supported accommodation funding - removal from HB/ move to a local system of funding. What are pros/cons/overall view on this
- (c) Supporting People/revenue funding for single/youth/other homelessness services - what is current position/trend?
- (d) Devolution (to city region) and agendas - how relevant/impactful in your area? Positive/negative for homeless people? Why?

Appendix 2 Local Authority Survey (2017)

Emulating similar surveys implemented by the research team in 2014, 2015 and 2016, an online survey of England's 326 local authorities was undertaken in October/November 2017. 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 previous surveys, 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 colleagues. A draft version of the questionnaire was kindly piloted by two case study authority contacts.

Following two sets of general reminder messages, and bespoke prompting of contacts who had participated in the survey in previous years, responses were filed by 186 authorities or 57 per cent of all authorities – see Table 2¹²³. 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	15	45
South	151	88	58
Midlands	70	41	59
North	72	42	58
England	326	186	57

*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.

123 Six authorities submitted partial returns that were sufficiently complete for inclusion in the analysis.

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	27	33	27	0	100	15
South	25	45	18	11	0	100	88
Midlands	31	45	19	2	2	100	41
North	14	48	31	7	0	100	42
England	23	44	23	10	1	100	186

Table 3 Recent change in importance of social rental evictions as a cause of statutory homelessness

	Increased in importance	Remained relatively stable in importance	Declined in importance	Don't know	Total	N=
% of responding local authorities						
London	0	71	21	7	100	14
South	16	74	8	2	100	87
Midlands	24	66	5	5	100	38
North	17	73	5	5	100	41
England	17	72	8	4	100	180

Table 4 How easy is it in your area to help applicants access housing to prevent/resolve homelessness?**a) Social rental**

	Fairly easy*	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
% of responding local authorities						
London	7	0	13	80	100	15
South	11	13	48	29	100	88
Midlands	19	14	48	17	100	41
North	31	17	50	2	100	42
England	17	13	46	24	100	186

*includes 2% of LAs reporting it 'very easy'

(b) Private rental

	Fairly easy*	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	7	40	53	100	15
South	2	3	32	62	100	88
Midlands	2	7	19	71	100	41
North	10	17	55	19	100	42
England	4	8	35	54	100	186

*includes 1% of LAs reporting it 'very easy'

Table 5 How easy is it in your area to help single people under 35 access shared housing?

(a) In the social rented sector

	Fairly easy*	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	13	7	80	100	15
South	6	10	16	68	100	88
Midlands	0	10	17	73	100	41
North	2	14	26	57	100	42
England	3	11	18	68	100	186

(b) In the private rented sector

	Fairly easy*	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities					
London	0	7	20	73	100	15
South	3	1	27	68	100	88
Midlands	0	2	32	66	100	41
North	5	10	29	57	100	42
England	3	4	28	66	100	186

Table 6 Perceived accuracy of rough sleeper statistics

	Very reliable	Somewhat reliable	Not at all reliable	Don't know	Total	N=
% of responding local authorities						
London	33	53	7	7	100	15
South	52	35	5	8	100	88
Midlands	33	50	5	13	100	40
North	54	29	10	7	100	41
England	47	39	6	9	100	184

Table 7 Expected impacts of the Homelessness Reduction Act for different applicant cohorts

	Strongly beneficial	Mildly beneficial	Neutral	Mildly detrimental	Strongly detrimental	Don't know	Total	N=
% of responding local authorities								
Rough sleepers	12	38	39	1	2	8	100	186
Single people	17	48	24	3	1	7	100	186
Families	9	34	46	4	2	6	100	186

Table 8 Expected impacts of LHA caps from April 2019***(a) Supported housing**

Row Labels	Will reduce access significantly	Will reduce access slightly	Will have no impact on access	Will increase access significantly	Don't know	Total	N=
% of responding local authorities							
London	43	7	14	0	36	100	14
South	44	22	2	1	31	100	87
Midlands	50	21	3	0	26	100	38
North	46	17	2	0	34	100	41
England	46	19	3	1	31	100	180

(b) Mainstream housing

Row Labels	Will reduce access significantly	Will reduce access slightly	Will have no impact on access	Will increase access significantly	Don't know	Total	N=
% of responding local authorities							
London	29	14	21	0	36	100	14
South	38	26	11	0	24	100	87
Midlands	32	37	5	0	26	100	38
North	37	34	7	0	22	100	41
England	36	29	10	0	25	100	180

* Survey conducted before Government reversed this policy position.

Table 9 What impact do you think the following welfare reforms will have on homelessness in your area between now and 2020?

	Increase it significantly	Increase it slightly	Little impact	Slightly decrease	Don't know	Total
% of responding local authorities						
LHA rate freeze	57	29	6	1	7	100
4 year freeze on other benefits	43	41	6	1	10	100
Lowering of Total Benefit Cap	49	41	5	1	5	100
HB entitlement removed for 18-21s	68	23	6	0	3	100
Full rollout of Universal Credit	74	19	1	0	6	100

N=180

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