

The homelessness monitor: England 2015

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Executive Summary

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The homelessness monitor 2011-2016

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

This year 3 report tracks the baseline account of homelessness established in 2011, and analyses key trends following that period. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness.

We will continue to monitor the impact on homelessness of the economic downturn and effects of welfare and housing reform over the next two years in order to provide a substantive evidence base and will report on them in 2014-2015.

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

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Executive Summary

Key points

The Homelessness Monitor series is a five-year study that provides an independent analysis of the homelessness impacts of recent economic and policy developments in England and elsewhere in the UK.¹ This fourth annual report updates our account of how homelessness stands in England in 2015, or as close to 2015 as data availability allows. The research was commissioned in response to concerns about the impact of the recession and the Coalition Government's welfare and housing reform agenda on homelessness in the UK.

Key points to emerge from the 2015 update report for England are as follows:

- Officially estimated rough sleeper numbers have continued to grow, with the 2013 national total up 37% on its 2010 level. In the last two years, however, the annual rate of increase has been more modest at around 5%, though continued growth in the more 'entrenched' rough sleeping cohorts in London is a matter of particular concern. New restrictions on the Housing Benefit entitlements of European Economic Area migrants from April 2014 may further contribute to rough sleeping amongst Central and Eastern European nationals.
- At 52,000, annual statutory 'homelessness acceptances' were 12,000 higher across England in 2013/14 than in 2009/10, though they did fall back 2% in the most recent year.
- However, these headline homelessness acceptance statistics are of declining utility in tracking national trends, as increasingly they reflect changes in local authority management of homelessness that is tending to encourage applicants to choose informal 'housing options' assistance instead of making a statutory homelessness application.
- Including such informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 280,000 'local authority homelessness case actions' in 2013/14, 9% up on the previous year (and 36% higher than in 2009/10). Prevention activity alone constituted some 228,000 cases in 2013/14 - 12% higher than the previous year and 38% up on 2009/10.
- The statutory homelessness statistics remain instructive in highlighting regional divergence, with London's homelessness acceptances up by 80% in the four years to 2013/14, contrasting with a 14% reduction in the North.
- Almost three quarters of the increase in homelessness acceptances over the past four years was attributable to the sharply rising numbers made homeless from the private rented sector. In London this pattern was even more manifest, with the annual number of London acceptances resulting from private tenancy terminations rising from 925 to 5,960 in the four years to 2013/14.
- Temporary accommodation placements rose 6% during 2013/14, and are up 24% since their low point in 2010/11. 'Out of district' placements have increased by 26% over the past year, and now account for 24% of the national total (up from only 11% in 2010/11). Such placements mainly involve London boroughs.
- The scale of hidden homelessness is evident in the 2013 estimate of 2.23 million households containing concealed single persons in England, in addition to 265,000 concealed couples and lone parents. On the most recent (2012) figures 685,000 households (3.1%) were overcrowded in England, maintaining the higher levels seen over several years. Both concealed

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

and overcrowded households can often be stuck in that position for considerable periods of time.

- The ongoing regional divergence in homelessness patterns, and particularly the acute crisis in London, strongly suggests that housing system factors are playing a critical underlying role. The continuing shortfall in levels of new house building 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, is a prime structural contributor to homelessness.
- The UK economy has now recovered to pre-credit crunch levels, but policy factors – particularly ongoing welfare benefit cuts – have a more direct bearing on levels of homelessness than the economic context in and of itself.
- Two aspects of the Local Housing Allowance reforms have caused particular concern with respect to homelessness. The first is the impact of the Local Housing Allowance caps in reducing access to the private rented sector for low income households in the high value areas impacted by the caps, particularly central London. The second is the impact of the Shared Accommodation Rate, as now applied to single people aged up to 35, in reducing their access to the private rented sector.
- The other most problematic aspects of the recent welfare reforms include: sanctions under Jobseekers Allowance/Employment and Support Allowance; the overall benefit caps; the ‘Spare Room Subsidy limit’ (widely known as the ‘Bedroom Tax’²); the Council Tax benefit reforms; and localisation of the Social Fund. Of these, it is the tightened sanctions regime and the ‘Bedroom Tax’ that have recently generated most anxiety.
- Questioned in August 2014, only one in ten local authority homelessness managers believed that the homelessness impacts of welfare reform had largely ‘run their course’; most anticipated that such impacts would accelerate over the next two years. London respondents were most likely to forecast diminishing impacts of welfare reform, in part because such impacts had already been so dramatic in, for example, displacing benefit-reliant families from the private rented sector in the capital.
- Discretionary Housing Payments have become crucial in enabling many households affected by benefit reforms to sustain their accommodation, leading to fears of significant homelessness implications, and even more significant geographical displacement effects, if/when Discretionary Housing Payments are scaled back.
- The Localism agenda is undermining the national ‘housing settlement’ which has hitherto played an important role in ameliorating the impact of income poverty on disadvantaged households. The move towards less secure tenancies and closer to market rents is weakening the safety net function of the social rented sector, particularly in London, while the local restriction of waiting lists risks excluding some marginalised groups from mainstream social housing.
- While the Government has supported

² 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.

a range of homelessness-specific initiatives, which many local authorities feel have contributed to an improvement in single homelessness services in their areas, these targeted and time-limited programmes cannot compensate for the substantial cuts in mainstream Supporting People funding that have taken place over the past five years.

Defining homelessness

A wide definition of homelessness is adopted in this Homelessness Monitor series to enable a comprehensive analysis taking account of: people sleeping rough; single homeless people living in hostels, shelters and temporary supported accommodation; statutorily homeless households; and those aspects of 'hidden homelessness' amenable to statistical analysis using large-scale surveys, namely 'concealed',³ 'sharing'⁴ and 'overcrowded'⁵ households. Three main methods have been employed in each phase of the study to date: reviews of relevant literature, legal and policy documents; annual interviews with a sample of key informants from the statutory and voluntary sectors across England (22 such interviews were conducted in 2014); and detailed analysis of published and unpublished statistics, drawn from both administrative and survey-based sources. For the first time this year we have also conducted a bespoke online survey of England's 326 local authorities (in August/

September 2014), which achieved an overall response rate of 43% (52% in London).

Trends in homelessness

Overall distribution of homelessness

Last year's Monitor reported that our social distribution analysis, based on the UK Poverty and Social Exclusion Survey 2012, confirmed that past experience of homelessness is heavily concentrated amongst young, poor, renters, who are lone parents or single, particularly those who are black and living in urban areas of the country. Nine per cent of adults in England have experienced homelessness at some point in their lives, the highest rate amongst the UK countries, with 8% of under-25s reporting that this has happened to them in the last five years. These data imply that around 185,000 adults experience homelessness each year in England, and that the incidence has been increasing over time.⁶

Rough sleeping

This year's Monitor reports that officially estimated rough sleeper numbers have continued to grow, with the 2013 national total up 37% on its 2010 level,⁷ rising from 1,768 to 2,414 over this period. In the last two years, however, the annual rate of increase has been modest at around 5%. As these estimates are best regarded primarily as a basis for trends analysis rather than an attempt at a 'true' absolute number,⁸ we explored possible alternative ways of estimating the extent of rough sleeping across the country. Drawing on a combination of administrative and survey datasets, we have developed exploratory

3 '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.

4 '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.

5 '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.

6 This estimate is derived by multiplying the proportion who report having been homeless over the past 5 years (PSE) x adult population (Census) / 5. This assumes even temporal spacing of homelessness, and only one episode per person.

7 DCLG (2014) Rough sleeping statistics: autumn 2013 and autumn 2010. <https://www.gov.uk/government/collections/homelessness-statistics#rough-sleeping>

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

estimates of between about 4,000 and 8,000 people sleeping rough in England on a typical night in 2010/11, at a time when official estimates were of less than 2,000.⁹ This range is indicative of the degree of uncertainty attached to any such exercise.

In London specifically, the more comprehensive rough sleeper monitoring data available from the St Mungo's Broadway CHAIN system¹⁰ tells a fairly similar story on trend trajectory. While a growth dynamic has continued, with 2013/14 numbers of people seen sleeping rough up 64% since 2010/11 (from around 4,000 to 6,500), the rate of increase fell, with an annual rise of only 1% in 2013/14 compared with 13% the previous year. However, a continued steady growth in the more 'entrenched' rough sleeping cohorts in London is a matter of particular concern, with more than 2,000 people classed under the CHAIN system¹¹ in 2013/14 as longer-term or 'returner' cases – people also logged as rough sleepers in 2012/13 or in a previous year¹² – up 3% on 2012/13. Commenting on this trend, some key informants suggested that one possible contributory factor was cutbacks in Supporting People 'preventative' services that made it more difficult for vulnerable groups to sustain their accommodation.

It seems likely that the upward trend seen in recent years has been moderated partly by government initiatives such as the No Second Night Out programme,¹³ initiated in London in

2011/12 and more recently rolled-out across England. However, strong concerns were expressed by a number of our key informants this year that new restrictions on the Housing Benefit entitlements of European Economic Area migrants, implemented from April 2014, may further contribute to rough sleeping amongst Central and Eastern European nationals.¹⁴

Statutory homelessness

The three years to 2012/13 saw an expansion of 27% in the recorded statutory homelessness caseload in England, as reflected by the total number of formal local authority assessment decisions, with these growing from 89,000 in 2009/10 to 113,000 in 2012/13. Similarly, households 'accepted as homeless' (formally assessed as unintentionally homeless and in priority need) rose by 34%, from 40,000 to 52,000. In 2013/14, however, both the overall volume of statutory assessments and the number of homeless acceptances fell back slightly. While remaining 26% higher than in 2009/10, total decisions were down by 1% in 2013/14 and acceptances were down by 2%.¹⁵

In interpreting such trends, however, it is crucial to factor in changes in administrative practice. In our 2014 local authority survey 81% of respondents reported that an emphasis on pro-actively preventing homelessness had 'further increased since 2010'. For two thirds of authorities, and an even higher proportion of those in the

⁹ See Appendix 4 for details.

¹⁰ Because this method enumerates people who have slept rough and been in touch with relevant services 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.

¹¹ See <http://www.broadwaylondon.org/CHAIN/Reports/StreettoHomeReports.html>

¹² 'Longer-term' cases are those involving rough sleepers enumerated in 2013/14 already logged as such in 2012/13; Flow: rough sleepers enumerated in 2013/14 but never previously seen sleeping rough; Returner: 2013/14 rough sleepers previously logged as rough sleepers before 2012/13, but not in 2012/13.

¹³ DCLG (2011) Vision to end rough sleeping: No Second Night Out nationwide. London: DCLG. Though as noted in previous Monitors, it is also probable that the large jump in rough sleeping figures recorded around the time of the introduction of No Second Night Out was in part attributable to associated improvements in outreach and monitoring at that time.

¹⁴ House of Commons Library (2014) People from abroad: what benefits can they claim? <http://www.parliament.uk/briefing-papers/sn06847.pdf>; Social Security Advisory Committee (2014) The Housing Benefit (Habitual Residence) Amendment Regulations 2014 (S.I. 2014 No. 539): Report by the Social Security Advisory Committee under Section 174(1) of the Social Security Administration Act 1992 and statement by the Secretary of State for Work and Pensions in accordance with Section 174(2) of that Act. <https://www.gov.uk/government/publications/the-housing-benefit-habitual-residence-amendment-regulations-2014-si-2014-no-539-ssac-report>; Homeless Link (2014) Social Security Advisory Committee Formal Consultation and a Call for Evidence: The Housing Benefit (Habitual Residence) Amendment Regulations 2014. London: Homeless Link.

¹⁵ DCLG – June 2014 statutory homelessness statistics

North, this had been associated with further moves away from handling homelessness applications primarily via formal assessments governed by the statutory framework. Accordingly, nearly two thirds of authorities (63%) agreed with the statement that 'Because of a continuing shift towards a more prevention-focused service, post-2010 homelessness trends in our area cannot be accurately gauged by tracking our statutory homelessness assessment statistics'.

Also highly relevant here is that, by summer 2014, more than half (55%) of all local authorities responding to our online survey had adopted new powers to discharge statutory rehousing duty via mandatory offer of private tenancies (another 16% of local authorities expected to follow suit by 2016). While these powers are not as yet deployed in practice to any great extent, our qualitative analysis indicates that they are playing a significant role in further incentivising applicants to opt for 'informal' assistance instead of making a statutory homelessness application.

All of this suggests that, as a reliable indicator of the changing scale of homelessness in recent years, the statutory homelessness statistics now have limited value. Certainly, on the basis of the local authority survey results it can be confidently stated that the apparent 31% rise in homelessness over the past four years understates the true increase in 'homelessness expressed demand' over that period, and that the apparent reduction in 2013/14 cannot be interpreted as indicating any underlying downward trend in such demand.

In fact, activity under statutory homelessness provisions has accounted for only a small proportion of all local authority homelessness work for a number of years, with statutory acceptances comprising around one fifth

of all logged cases, while 'homelessness prevention' instances account for more than three-quarters of the total, and 'homelessness relief' somewhat less than 10%.¹⁶ Adding together 'non-statutory' homelessness prevention and relief activity, as well as statutory rehousing activity, there were some 280,000 'local authority homelessness case actions' in 2013/14 – 9% up on the previous year.

As regards 'homelessness prevention', the balance of activity has been shifting towards helping service users to retain existing accommodation rather than to obtain new housing. In 2013/14 actions under the former heading increased in number by 18% whereas actions of the latter type grew by only 8%. Assisting people in accessing private tenancies remains the largest single form of prevention activity; however, the volume of such cases has declined recently, probably reflecting both the state of the housing market and the Local Housing Allowance reforms which – by restricting entitlements – will have made it more difficult to secure private tenancies for certain categories of applicant, particularly in London. The most striking homelessness prevention 'growth activity' has involved debt advice and financial assistance which, in 2013/14, accounted for some 50,000 prevention instances – up from only 16,000 in 2009/10. This would seem highly consistent with the anticipated impacts of welfare reform on those in precarious housing circumstances (see below).

While the gross numbers undoubtedly understate the increase in 'homelessness expressed demand' over recent years, the statutory homelessness statistics may nonetheless provide some meaningful indication of regional trends, and such patterns continue to be highly contrasting. In relation to the 'base year' of 2009/10

the figure for the North of England had actually fallen 14% by 2013/14. In London, by contrast, it was up by 80%. With the South and the Midlands occupying positions between these two extremes, this pattern suggests housing system factors have been continuing to play an important underlying role, alongside the disproportionate impacts of certain welfare reform measures in London in particular.¹⁷

It also remains relevant to note that almost three quarters of the increase in statutory homelessness acceptances over the past four years has resulted from the sharply rising numbers made homeless by the ending of Assured Shorthold Tenancies in the private rented sector – up by over 9,000 (200%) over the period.¹⁸ As a proportion of all statutory homelessness acceptances, such cases have consequentially risen from 11% to 26% since 2009/10, and were sitting at 30% of all cases by the first quarter of 2014/15.¹⁹ In London, the upward trend in private tenancy terminations has been even starker, with such instances accounting for 38% of all London homelessness acceptances by the first quarter of 2014/15. The annual number of London acceptances resulting from private rental terminations rose from 925 to 5,960 in the four years to 2013/14. Exactly what underlies this pattern is difficult to state with certainty, as landlords are not required to give reasons for terminating these fixed-term tenancies. However, from the perspective of both our key informants and survey respondents there seemed little doubt that the primary factor was the increasingly restrictive Local Housing Allowance rules and their coincidence with sharply rising market rents.

Since bottoming out in 2010/11, homeless placements in temporary accommodation have been on the increase, with the overall national total rising by 6% in 2013/14; up by 24% since its low point three years earlier. The bulk of such placements are in self-contained housing, with B&B hotels accounting for well under 10% of the national total as at 30 September 2014 (4,600 out of 59,710). However, signs of stress are evident in the increasing proportion of temporary accommodation placements beyond local authority boundaries, up by 26% in the year to 30 September 2014, and accounting for 14,220 placements (24% of the national total, up from only 11% in 2010/11). Such placements mainly involve London boroughs, and replicate the much larger ‘displacement’ effects associated with welfare reform discussed below.

Hidden homelessness

The importance of regional patterns and housing market factors is reinforced by our potential hidden homelessness analysis, which demonstrates that concealed households,²⁰ sharing households²¹ and overcrowding²² remain heavily concentrated in London and the South. We estimate that there were 2.23 million households containing concealed single persons in England in late 2013, in addition to 265,000 concealed couples and lone parents, equivalent overall to around 12% of all households in England. These numbers represent broad stability alongside the estimates presented in the 2013 Monitor. Concealed households increased after 2007, reflecting declining household formation, particularly in the south. Detailed analysis of longitudinal surveys²³

17 Source: DCLG – June 2014 statutory homelessness statistics (includes analysis of unpublished data)

18 Source: DCLG – June 2014 statutory homelessness statistics

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

20 ‘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.

21 ‘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.

22 ‘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.

23 Sources: British Household Panel Survey 199-2008; Understanding Society 2009-11; Survey of English Housing 2009.

shows that being a concealed household can be quite a persistent state. For example over the whole period 1992-2008, 57% of concealed families in one year were in the same position the previous year, while this applied to 50% of concealed singles. In 2011, these proportions had risen to 88% and 100%.

On the most recent figures, 685,000 households (3.1%) were overcrowded in England. Overcrowding is less common in owner occupation (1.6%) and much more common in social renting (7.2%) and private renting (4.7%). Overcrowding can also be quite a persistent experience for the households affected. In 2011, based on the Understanding Society Survey, 95% of crowded households had been crowded the previous year.

Economic and policy impacts on homelessness

The continuing shortfall in levels of new house building relative to levels of household formation is a prime structural contributor to homelessness and other forms of acute housing need. The latest household projections for England suggest that household numbers will grow at an average rate of 220,000 a year over the decade to 2021. Even allowing for the contribution from dwellings created through conversions and changes of use, the rate of new house building would need to almost double from the low 2012/13 level (of almost 125,000) to just keep pace with the rate of new household formation, let alone to reduce housing market pressures.²⁴

The exceptionally low 2012/13 levels of house building reflected the severity of the recent economic and housing market downturn –

including the associated ‘mortgage famine’. While there was a fairly strong upturn in new housing starts in the first half of 2014, the recovery required to match household formation needs to be stronger still, and to exceed the rate of new house building achieved at any time over the decade prior to the credit crunch. This will be challenging in a context of subdued and uncertain economic recovery, a relatively new and untested planning regime in England, and a reduced budget to support the provision of new social or ‘affordable’ homes.²⁵ Indeed without further measures the most likely scenario is for further housing market tightening, and greater market pressures for households with low to moderate incomes.

Throughout the Monitor series we have argued that welfare benefit cuts, as well as constraints on housing access and supply, critically influence overall levels of homelessness. In this year’s Monitor the ‘regional’ story reported in previous editions has sharpened into one of growing ‘London exceptionalism’ and, as the 2014 local authority survey also makes clear, this London ‘story’ is fundamentally about the *combined* effect of an extraordinarily tight housing market and the disproportionate impact of certain welfare reforms, particularly benefit caps. As intended, national caps on Local Housing Allowance have reduced the number of claimants able to secure private rented accommodation in inner London; with declines of some 30-35% since March 2011 in Kensington and Chelsea and in Westminster.²⁶ The overall benefit cap for working age out-of-work households also impacts most severely in London and other higher rent areas, mainly on larger families, with an average estimated benefit reduction of £62 per week.²⁷ While the official impact

²⁴ Commentary Chapter 2 in Wilcox, S. & Perry, J. (2014) *UK Housing Review 2014*. Coventry: CIH.

²⁵ Commentary Chapter 4 in Wilcox, S. & Perry, J. (2013) *UK Housing Review 2014*. Coventry: CIH.

²⁶ DWP Housing Benefit Caseload Statistics <https://www.gov.uk/government/statistics/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal>. Additional data extracted from DWP Stat-Xplore. Note that figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

²⁷ DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220178/benefit-cap-wr2011-ia.pdf

assessment estimated that the overall benefit cap would see 52,000 households in England having their benefit cut, the actual number of affected households has been only about half as great. Of those impacted at some time up to August 2014, almost half were in London, and of the twenty authorities with the most impacted households, 18 were London boroughs.²⁸

These caps have been making it very difficult for London boroughs to meet their statutory duties to priority need households, far less provide meaningful assistance to non-priority groups. Growing out of London placements of homeless households are one well-publicised consequence. While London local authority survey respondents were most likely to forecast diminishing impacts of welfare reform over the next two years, this was largely because the effects to date had already been so dramatic, including the mass “cleansing” of benefit dependent families from the private rented sector in parts of central London. The demographic, social, economic and other consequences – for both the ‘exporting’ and the ‘receiving’ local authorities – of this geographical displacement of vulnerable families and other households as a result of welfare reform have yet to be fully grasped.

The Shared Accommodation Rate continues to create problems in accommodating younger single people in private rented housing across most of the country. And for single and youth homelessness service providers throughout England, and indeed across the UK, the ratcheting up of the sanctions regime under Jobseekers Allowance and Employment and Support

Allowance, and thereafter Universal Credit, is *the* major ongoing concern.²⁹ The localisation of the Social Fund, and growing resort to food banks and other forms of purely charitable assistance, indicates a severe weakening in the support available to households in the sort of crisis situations that can lead to homelessness, with the inadequacy of the ‘in kind’ support typically provided by Local Welfare Allowance particularly strongly criticised by domestic abuse service providers interviewed for this year’s Monitor.

As regards the ‘Bedroom Tax’ (or ‘Spare Room Subsidy’) several reports have now provided evidence of policy impacts during the regime’s first six months, and some of the issues arising.³⁰ These confirmed that most impacted tenants did not accept they were ‘over accommodated’. This is not surprising given that the ‘bedroom standard’ on which the size criteria are based is out of touch with contemporary social values and practice. The regional dimension to the policy impacts is reflected in the geographical distribution of affected households, with particularly high numbers hit in the north west of England. After five months of operation, only two fifths of the tenants affected by the ‘Bedroom Tax’ were making rent payments in full, two fifths were making good some part of the size criteria deductions, and one fifth were making no payment to cover the shortfall.³¹ Almost three fifths of the impacted tenants were either reducing spending on household essentials, or running up debts, while one in four had borrowed money, mainly from family or friends, to help manage the shortfall. While other factors (and welfare reforms) are also involved, it is relevant here to note that total

²⁸ Data extracted using DWP Stat-Explore.

²⁹ Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. <http://www.homeless.org.uk/sites/default/files/site-attachments/A%20High%20Cost%20to%20Pay%20Sept%202013.pdf>; Watts, B., Fitzpatrick, S., Bramley, G. & Watkins, D. (2014) Welfare conditionality and sanctions in the UK. York: JRF.

³⁰ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP; Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF; Ipsos MORI (2014) *Impact of welfare reforms on housing associations: Early effects and responses by landlords and tenants*. <https://www.ipsos-mori.com/Assets/Docs/Publications/sri-ipsos-mori-nhf-report-impact-of-welfare-reforms-on-housing-associations-2014.pdf>.

³¹ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP.

social landlord possession claims in England and Wales were 18% higher in 2013/14 compared to the year preceding 'Bedroom Tax' introduction.

Local authority online survey respondents perceived that the full effects of the 'Bedroom Tax' were yet to be felt. Impacts to date had been widely mitigated via Discretionary Housing Payments, but there are doubts over the long-term sustainability of this approach. These payments have been crucial in enabling many benefit-cut-affected households to sustain their accommodation, leading to fears of significant homelessness implications, and even greater geographical displacement effects, if/when they are scaled back.

The same welfare reform factors that are 'pushing' benefit-reliant households out of rental accommodation, especially in London, make it ever harder for local authorities to rehouse them, with not only private landlords but also some social landlords reportedly increasingly risk averse in accommodation homeless and potentially homeless households. In last year's Monitor we reported concerns that the move towards fixed-term 'flexible' tenancies in social housing ushered in by the Localism Act 2011 will gradually weaken the sector's safety net function,³² and there are pressing concerns about the interaction between the 'Affordable Rent' regime, which allows social landlords to charge up to 80% of market rents, and benefit restrictions which may operate to price low-income households out of relevant social housing in high cost areas, particularly inner London.³³ It became apparent in 2014 that many local authorities

have begun making robust use of Localism Act powers to significantly restrict access to their housing lists. Only thanks to a recent legal challenge has it been established that statutorily homeless households and other groups with statutory 'reasonable preference' cannot lawfully be excluded from such lists.³⁴ New Joseph Rowntree Foundation-supported research indicates that some larger housing associations, particularly in London and the South, may be moving their focus away from housing those in greatest need towards a more diversified tenant base, implying that the private rental sector rather than social housing may increasingly be viewed as '*the tenure of last resort*' for those in the most severe poverty.³⁵ But the restrictions on access to the private rented sector imposed by welfare benefit cuts, especially as these affect London and the other pressurised markets, raise significant doubts over such a stance.

Most local authorities outside of London that responded to our online survey reported that there had been improvements in the service offered to single homeless people and other non-priority homeless households in their area since 2010. Key aspects of these reported improvements included: expanded availability of private rented sector access schemes; better partnership with other services; enhanced staff quality and training; an increase in specialist staff and/or services aimed at rough sleepers and other single homeless groups (e.g. the No Second Night Out initiative)³⁶; and the availability of Discretionary Housing Payments. Moreover, with the switch towards a more preventative/housing options-inspired approach, and a move away from a focus on strict 'rationing

³² Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, 29(5): 597-615.

³³ BBC News (2013) 'Councils seeks judicial review of mayor's rent plan', *BBC News*, 8th September: <http://www.bbc.co.uk/news/uk-england-london-24002244>

³⁴ *R (Jakimaviciute) v LB Hammersmith and Fulham* [2013] EWHC 4372 (Admin) [2014] EWCA Civ 1438

³⁵ Clarke, A., Morris, S. & Williams, P. (2014) *Landlords' Strategies to Address Poverty and Disadvantage*. York: JRF.

³⁶ DCLG (2011) *Vision to end rough sleeping: No Second Night Out nationwide*. London: DCLG.; Broadway, University of York & Crunch Consulting (2011) *No Second Night Out: An evaluation of the first six months of the project*. <http://www.nosecondnightout.org.uk/wp-content/uploads/2012/01/NSNO-6-month-review-Final.pdf>. Though the scepticism with which No Second Night Out was viewed by some key informants in the North of England was also noted in last year's Monitor.

criteria', some local authorities argue they are now able to offer a broader, more inclusive service. However, this positive picture is somewhat at odds with the recent reduction in 'official' homelessness relief activities (see above), aimed largely at this group, and qualitative reports of the poor service that single homeless people often encounter.³⁷ Likewise, claims of improvements sit uneasily with the substantial cuts in mainstream Supporting People revenue funding implemented over the past five years,³⁸ for which relatively small-scale, time-limited and tightly-targeted specialist homelessness initiatives cannot be expected to compensate. At the same time, both local authorities and homelessness services³⁹ report growing demands from homeless people with complex needs, and greater difficulty in meeting these needs.

While 'localisation' has been a key thread running through this entire Monitor series, it has become particularly apparent this year that regional differences are increasingly overlaid with highly localised patterns of divergence across much of England. This manifests in at least two important senses with important consequences for homeless people and those at risk of homelessness.

First, there is the ongoing localisation of key policy and practice frameworks, not only in the housing and homelessness arena, but also in welfare benefits,⁴⁰ as evidenced by the growing reliance on locally-prescribed, discretionary schemes such as Discretionary Housing Payments, Local Welfare Assistance and Council Tax Benefit to supplement the weakening national welfare system. While there were some isolated positive comments made by key informants about localised

aspects of welfare, for example Local Welfare Assistance being better tailored to local needs in some areas, the overwhelming weight of evidence from the Monitor series points to this increased emphasis on local control, diversity and discretion being inimical to tackling homelessness, bringing as it does, inevitable inconsistency and unevenness in both coverage and delivery. While such geographical variability driven by local political priorities and expediency may be acceptable, even desirable, in some areas of public policy, it is more difficult to defend when applied to meeting the fundamental needs of vulnerable groups.

A second, linked, point relates to the increased emphasis on local connection, and reconnection, in homelessness services and social housing in recent years, in part as a means of rationing provision in the most pressured areas. As other forthcoming Crisis-funded research has revealed,⁴¹ while reconnection schemes can provide a valuable function in requiring local authorities to meet their obligations to relevant people and households, there are worrying signs that such measures can also be used to filter some groups out of provision altogether.

Conclusion

In 2013 the UK economy finally regained pre-recession output levels, but as we have argued in previous Monitors, policy factors have a more direct bearing on the incidence of homelessness than the economy in and of itself. With only one in ten respondents to the 2014 local authority survey believing that the homelessness impacts of welfare reform had largely 'run their course', there is widespread trepidation about the national roll-out of Universal Credit (especially

³⁷ See also Dobie, S., Sanders, B. & Teixeira, L. (2014) *Turned Away: The Treatment of Single Homeless People by Local Authority Homelessness Services in England*. London: Crisis.

³⁸ Perry, J. (2014) 'Local government cuts: housing services have been hit hardest', *Guardian*, 17th September: <http://www.theguardian.com/housing-network/2014/sep/17/housing-spending-cuts-local-government-welfare?>

³⁹ Homeless Link (2014) *Support for Single Homeless People in England. Annual Review 2014*. London: Homeless Link.

⁴⁰ See the recently announced Social Security Advisory Committee inquiry into 'Localisation and social security' <https://www.gov.uk/government/organisations/social-security-advisory-committee>

⁴¹ Johnsen, S. & Jones, A. (forthcoming 2015) *Evaluating the Effectiveness of Reconnections Schemes for Rough Sleepers*. London: Crisis.

monthly payments and the move away from rent direct to landlords). At the same time, housing market pressures seem unlikely to ease, particularly in London and the South. A range of specialist homelessness funding programmes intended to ameliorate the impact of these negative structural trends on particularly vulnerable groups ended in 2014, and could not in any case compensate for the massive cuts implemented in mainstream 'Supporting People' revenue funding in recent years.

The evidence provided by the Homelessness Monitor over the coming year will provide a powerful platform for assessing the impact of economic and policy change on some of the most vulnerable people in England. By the time the Monitor next reports, we will be able to reflect on developments over the entire span of the current UK Coalition Government and identify early signs of things to come under the next administration. As well as tracking the headline trends in both visible and hidden forms of homelessness through until the end of 2015, we will provide an overview of the profile of those affected, and the changing geography of homelessness in England, and how this has evolved over the past five years.

In looking to track the changing 'global' incidence of homelessness in future, there is a compelling argument for focusing much more strongly on the whole suite of officially gathered statistics on 'statutory' and 'non statutory' local authority activities, rather than perpetuating the historic emphasis on the 'statutory acceptance' figures, and this will be the approach taken in next year's Monitor.

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

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Homelessness ends here