The homelessness monitor: Wales 2017

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The homelessness monitor

The homelessness monitor is a longitudinal study that provides an independent analysis of the impact on homelessness of recent economic and policy developments across the UK. The key areas of interest are the homelessness consequences of the post-2007 economic recession, and the subsequent recovery, as well as welfare reform and cuts. Separate reports are produced for each UK nation. This year’s Wales report monitors the impact on homelessness of the slow pace of economic recovery and the effects of welfare and housing reform and analyses key trends from the baseline account of homelessness established in 2012 up until 2017. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness in Wales.
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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 Wales and elsewhere in the UK. This update report provides an account of how homelessness stands in Wales in 2017, or as close to 2017 as data availability allows.

Key points to emerge from the 2017 update report for Wales are as follows:

- There is an overwhelming consensus that the new statutory homelessness framework ushered in by the Housing (Wales) Act 2014 has had an array of positive impacts, including re-orientating the ‘culture’ of local authorities towards a more preventative, person-centred and outcome-focused approach, and engendering a much better service response to single homeless people in particular.
- In 2016/17, almost two thirds (62%) of households assessed as ‘threatened with homelessness’ (5,718 of 9,210) had had their homelessness successfully prevented, according to official statistical returns, while a 41 per cent success rate (4,500 of 10,884) was recorded by local authorities in homelessness relief cases – i.e. resolution of actual homelessness (as opposed to interventions to prevent homelessness occurring)
- As expected, and hoped, the number of priority need households assisted under the new ‘duty to secure accommodation’, activated only after prevention and/or relief efforts have failed, is much lower than statutory homeless ‘acceptance’ levels under the pre-2015 system. There were only 1,611 such households owed the full rehousing duty recorded in 2015/16 (around a third of the number of ‘acceptances’ in 2014/15), albeit this figure rose to 2,076 in 2016/17.
- However, the gradual downward trend in temporary accommodation placements seen in the period 2012-2015 has been recently reversed. The most recent 12-month period
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2 This section of the 2014 Act is the nearest equivalent to Section 135 of the pre-2015 legislation under which homeless applicants are subject to a series of tests to assess whether they are deemed ‘unintentionally homeless and in priority need’.
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However, from the perspective of the Monitor, the most significant aspect of the 2014 Act is its homelessness provisions. Based on the Welsh Government-funded ‘Mackie Review’ published in 2012, these place ‘priority need blind’ duties on local authorities to ‘take reasonable steps’ to ‘help to prevent homelessness’ (Section 66) and to ‘help to secure accommodation’ for those already homeless (Section 73) (with these new duties generally referred to as the Stage 1 ‘prevention’ and Stage 2 ‘relief’ duties respectively). For those who are unintentionally homeless and in priority need, a ‘Stage 3’ (Section 75) ‘full statutory duty’ to secure suitable accommodation then arises in the event that prevention and/or relief efforts fail. Crucially, though, applicants who ‘unreasonably fail to cooperate’ with the prevention or relief assistance, or refuse a suitable offer of accommodation, may not progress to Stage 3. From 2019 local authorities will have a duty to provide accommodation for intentionally homeless families and 16 and 17 years olds unless they have previously been found to be intentionally homeless in the past five years.

The homelessness provisions of the 2014 Act were just coming into force as the last Homelessness Monitor was being written up, in April 2015, but initial indications were that the new framework enjoyed a considerable measure of goodwill across both statutory and voluntary sectors. These encouraging early findings are strongly reinforced by this year’s report, which finds that the new regime has been a conspicuous success in several key, interrelated, respects. First, it seems to have effected a genuine reorientation on the part of local authority Housing Options services towards earlier and more effective preventative interventions. Second, it has provided a spur to positive ‘culture change’ on the part of both local authorities, who are said to be providing a more supportive and person-centred environment for applicants, and also external agencies, like Shelter Cymru, who now have a less confrontational relationship with local authorities. What is particularly

Figure 1 Welsh homelessness legislation

Process under the Housing (Wales) Act 2014

<table>
<thead>
<tr>
<th>STAGE 1 (S66)</th>
<th>STAGE 2 (S73)</th>
<th>STAGE 3 (S75)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help to prevent</td>
<td>Help to secure</td>
<td>Duty to secure</td>
</tr>
<tr>
<td>Threatened with homelessness</td>
<td>Successfully prevented</td>
<td>Unsuccessfully relieved</td>
</tr>
</tbody>
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The numbers required.

Concerns expressed in the last Monitor that the Renting Homes (Wales) Act 2015,5 but initial indications were that the new framework enjoyed a considerable measure of goodwill across both statutory and voluntary sectors. These encouraging early findings are strongly reinforced by this year’s report, which finds that the new regime has been a conspicuous success in several key, interrelated, respects. First, it seems to have effected a genuine reorientation on the


striking is the extent to which all of the key stakeholders we interviewed and surveyed – local authorities, other statutory sector partners, voluntary sector providers, and independent commentators – were agreed on these core positive points.

Several factors may be identified as accounting for the apparent overall success of the ‘Welsh model’ to date. First, the principles of the framework itself appeared to command broad support, being based on an initial collaborative research project, and subsequent period of intense political and policy lobbying, before finding final form in the Act itself. Second, the additional resources made available by the Welsh Government in the Transitional Funding Grant are widely, if not universally, accepted as having been sufficient (though there is now much concern about these funds potentially ceasing in March 2018). Third, the ‘co-production’ and flexible approach being taken to the drafting and review of the Code of Guidance, and the cross-sectoral delivery of the accompanying training programme, has helped to foster a sense of joint endeavour and purpose across a wide range of stakeholders.

Criticisms of the new homelessness regime thus tend to be ones of implementation, or remarks about ‘work in progress’, rather than objections of substance or principle. Examples include concerns about excessive paperwork generated by the multi-stage process; insufficiently tailored and pro-active ‘reasonable steps’ to prevent homelessness in some areas; the variable quality and deployment of Personal Housing Plans by local authorities; and the modest progress made thus far in encouraging a deeper level of partnership working with other public bodies. Cutting across both of these points is an acknowledgement that the ‘culture change’ required to successfully implement the new statutory model is inevitably a long-term process, and may in some instances require a degree of staff turnover, as well as retraining, to be fully realised. Thus while there remain concerns about unenveness in service outcomes between local authorities, the stronger sense was of variability within local authorities that will take some time to resolve.

While concern that the ‘failure to co-operate’ provisions may be used by local authorities as a new gatekeeping or rationing device is potentially a more structural concern with the revised regime (see further below), anxiety over this seems relatively muted for now, with stakeholders seeming content to monitor developments over time before coming to a firm view. More broadly, there is regret that a not inconsiderable number of homeless people (mostly single and ‘non-priority’) still find themselves without a solution after all three ‘stages’ of statutory intervention are exhausted (again see below), although at the same time there is ready acknowledgment that the ‘offer’ to single homeless people is nonetheless far superior to that under the previous system.

Another benign aspect of the policy context in Wales, as acknowledged by many key informants, is the relative protection that has been afforded to the (still ring-fenced) ‘Supporting People’ funding programme to date. While improvements in local authority commissioning practices were called for from several quarters, and the hope for alignment between Supporting People services and homelessness prevention agenda still seems to be taking shape, it appears that the availability of these funds has allowed for an expansion in at least some forms of supported accommodation provision in recent years.

Looking to the future, there was overwhelming anxiety expressed by Welsh local authorities about the potential homelessness impacts of the ongoing roll-out of Universal Credit, especially the arrangements for the housing element to be paid to the claimant, with the removal of the ‘automatic’ entitlement to Housing Benefit of 18-21 year olds also repeatedly highlighted as a matter of concern (this is estimated to potentially impact on some 10,000-18-21s across GB as a whole; but separate figures for Wales are not available.) The recent lowering of the total benefit cap introduced will significantly extend its impact in Wales, with the number affected increasing more than fivefold (to some 4,000) by 2020/21. The greatest individual losses, however, will be incurred by the households already subject to the cap – an additional £6,000 a year (or £4,800 in the case of single people). The extension, from April 2019, of Local Housing Allowance caps to social tenants will have particularly wide-ranging impacts in Wales, given its relatively low private sector rents, with young single people subject to the very low Shared Accommodation Rate worst affected. Uncertainty also remains about the arrangements to be made in respect of supported housing schemes once these caps apply, with no detail yet available on how the additional funding provided to support vulnerable

people in supported housing will be distributed by the Welsh Government.

Trends in homelessness in Wales

Rough sleeping

There has been an undisputed recent rise in rough sleeping in Wales, in the context of broad agreement that the new legislative framework has done less to improve the situation for this group than other homeless households. A 2016 survey enumerated 313 rough sleepers across Wales compared with 240 in 2015. The Welsh Government and other stakeholders warn that at least part of this apparent increase could result from more comprehensive coverage rather than from a real rise in rough sleeping,15 meaning that it is probably appropriate to conclude that the incidence of rough sleeping in Wales in late 2016 represented an increase of up to 30 per cent as compared with 2015. The real underlying change may be more akin to the 16 per cent increase in national rough sleeper numbers enumerated in England in the twelve months to autumn 2016.16

However, there was little doubt in the mind of any stakeholders that there had been at least some ‘genuine’ increase in rough sleeping over the past couple of years in Wales. The reasons for this were not entirely clear, but amongst the possible explanations offered were an increase in EEA nationals (ineligible for mainstream welfare benefits), welfare reform (especially benefit sanctions), and budget cuts to support services. Several interviewees speculated that there may be a link with the removal of ‘automatic’ priority need for ex-prisoners in the new legislation.17

This expansion in the number of rough sleepers in Wales has become a politically salient issue, with a major policy announcement imminently expected at the time of writing, possibly in heralding some sort of national strategy with a Housing First component. A national Rough Sleepers Working Group is due to make recommendations on national policy in summer 2017.

Statutory homelessness

The vast majority of local authority respondents to our 2017 survey (17 out of 19) reported that the overall flow of people seeking homelessness assistance in their area had increased over the past two years; in most cases this increase was said to have been ‘significant’ rather than ‘slight’. The rising service user ‘footfall’ was attributed in part to the publicity surrounding local authorities’ widening homelessness responsibilities, but also to underlying dynamics associated with the welfare reform and housing market pressures noted above.

The encouraging picture painted above, with regards to the effectiveness of the new statutory homelessness regime is largely, though not wholly, supported by the official statistical returns, with almost two thirds (62%) of households assessed as ‘threatened with homelessness’ in 2016/17 reported as having had this successfully averted, while a 41 per cent success rate was recorded by local authorities in ‘homelessness relief’ cases.

As also expected, and hoped, the number of priority need households assisted under the new ‘duty to secure accommodation’, activated only after prevention and/or relief efforts have failed, is very much lower than statutory homeless ‘acceptance’ levels were under the pre-2015 system. Thus, only 1,611 such priority households were recorded in 2015/16 – around a third the number of ‘acceptances’ enumerated some sort of national strategy with a Housing First component. A national Rough Sleepers Working Group is due to make recommendations on national policy in summer 2017.

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threatened with homelessness’ cases (486 in total) and 6 per cent of Section 73 ‘eligible and homeless’ cases (615 in total) had duty discharged a result of ‘non-cooperation’. This means that in this second year of the new legislative regime, the incidence of ‘non-cooperation case closures’ fell as compared with 2015/16 – from 8 per cent to 5 per cent as regards Section 66 cases and from 11 per cent to 6 per cent as regards Section 73 cases. Nonetheless, these are non-trivial numbers that will require careful surveillance over the next few years to assess the impact of these new provisions designed to facilitate an appropriate balance between the rights and responsibilities of both local authorities and homeless applicants.

Hidden homelessness

People may be in a similar housing situation to those who apply to local authorities as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a local authority or applying to other homelessness agencies. Such people are often referred to as ‘hidden homeless’. 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. Not everyone living in these situations will be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness.

We estimate that there were 120,000 households in Wales in 2016 containing at least one concealed single household, involving 154,000 individuals. This is in addition to approximately 13,000 concealed lone parent/couple families containing nearly 30,000 individuals. The incidence of potential concealed households has been relatively stable over the medium term in Wales, and now appears lower than that for the rest of the UK.

In contrast, the incidence of sharing households appears to have increased recently in Wales, with a rate that is now higher than for the UK as a whole. In 2016, approximately 2.3 per cent of households in Wales were sharing (about 30,000 households), compared with 2.0 per cent across the whole UK. Sharing is most common for single person households, and for this group appears to have increased from 4.6 per cent to 9.1 per cent between 2014 and 2016. Sharing is particularly concentrated in private renting, and to a lesser extent social housing, and is rare in the owner occupier sector.

Overcrowding has increased to quite a pronounced extent since 2005 in England, from 2.4 per cent to 3.0 per cent of all households, reversing previous declining trends. In Wales, there is no consistent trend data over the longer time period, but data from the ‘Understanding Society’ survey can be used to look at crowding for three periods between 2009 and 2014. This indicates that rates in Wales are noticeably lower than GB overall, and that there has been a moderate decline over this period. These patterns may reflect a lower level of pressure in the housing market and fewer minority ethnic and immigrant households.

Conclusions

This is undoubtedly the most positive of all the Homelessness Monitors we have published to date, reporting on the apparent success of a major innovation in homelessness law, policy and practice that seems, so far at least, to have made a genuine difference to the experiences and outcomes for many homeless people. Nonetheless, there remain a range of matters of potential concern going forward. These include the many detailed areas of practice to be ‘ironed out’ in the new statutory homelessness framework in Wales, and careful monitoring of issues such as the implementation of ‘non-cooperation’ provisions, the numbers of single people in particular experiencing ‘unsuccessful interventions’, and attempts to address growing levels of rough sleeping, is required. It will also be important to gauge whether the apparent upturn in the numbers of households ‘accepting’ the full duty to be secured accommodation, and in the use of temporary accommodation, are aberrations in a generally downward trend, or mark the start of new direction of travel in the official statistics.

We can look forward to the outcome of the official evaluation of the new legislation in informing these debates, and we will also have the opportunity to revisit and assess the situation in Wales once more in this current Homelessness Monitor Series running to 2021. Hopefully we will continue to find Wales offering a positive model of innovative and collaborative practice, capable of illuminating constructive ways forward for the rest of the UK.