



Together
we will end
homelessness

The homelessness monitor: England 2019

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Jenny Wood, Beth Watts, Mark Stephens & Janice Blenkinsopp. Institute for Social Policy, Housing and Equalities Research (I-SPHERE), and The Urban Institute, Heriot-Watt University; City Futures Research Centre, University of New South Wales

May 2019
Executive Summary



The homelessness monitor

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments across the United Kingdom. Separate reports are produced for each of the UK nations.

This eighth annual report updates our account of how homelessness stands in England in 2019, or as close to 2019 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.

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About Crisis

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

About the authors

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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, JRF or of any of the key informants who assisted with this work.

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Foreword

Everybody deserves a safe and stable home, to build a better life for themselves and their families.

The homelessness monitor England 2019 is the eighth 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 the challenges facing councils as the combination of cumulative welfare reforms and increasing housing market pressures are making it even harder for low income households to find a place to live.

Nine out of 10 councils warn more and more people in their area on the lowest incomes will become homeless because the freeze on Local Housing Allowance (LHA) and other benefits means they can't afford to pay their rents.

The research shows that councils are seeing more demand for their services yet are faced with an ever diminishing social housing supply and very few options in the private rented sector. The report highlights the growing pressure councils are under, with seven out of 10 reporting a rise in demand for their homelessness services in the last year alone. And the problem isn't confined to London or the South; more than three quarters of councils in the North reported a rise in the need for their services, as well as over two thirds in the Midlands.

This year's Homelessness Monitor is the first since the Homelessness Reduction Act (HRA) came into force. This research shows some positive signs that the Act is enabling councils to help more people in housing need.

Most local authorities reported that the HRA has enabled a more person-centred approach to managing homelessness in their area and two-thirds of authorities saw the Act as having positive impacts for single people. While this is a positive step forward, there remain pressing structural issues that if unresolved risk reversing the positive steps achieved by the HRA so far. The government needs to urgently address the issues underpinning homelessness by building more social housing and restoring LHA rates in Universal Credit to ensure they truly cover the cost of rent so that more people can afford private renting.

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 United Kingdom.¹ This eighth annual report for England updates our account of how homelessness stands in 2019, or as close to 2019 as data availability allows.

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

- Rough sleeping may have levelled off somewhat in England after rapid growth since 2010, with official estimates recording a 2 per cent decrease nationally, and a 19 per cent reduction in those areas targeted by the Rough Sleeping Initiative, between 2017 and 2018. However, there are still rising trends in three of England's four broad regions, including London, in core cities including Birmingham and Manchester, and amongst Central and Eastern European migrants. The official 2018 total remains 165 per cent higher than in 2010.
- Consistent with these official estimates, London rough sleeping has been recently once more on a rising trend as measured by the

Greater London Authority/St Mungo's CHAIN system.² Having fallen back since 2015, total London rough sleeper numbers rose to a new high in Q4 2018, up 25 per cent over 12 months. This resulted largely from a renewed increase in rough sleepers of Polish and Romanian origin – up 69 per cent since Q4 2017. However, United Kingdom-origin rough sleepers were also 13 per cent more numerous in Q4 2018 than a year earlier and – like the all-nationality total – the highest on record.

- Three quarters of local authorities responding to this year's survey (75%) considered rough sleeping a problem in their area, and for nearly one council in four (23%) it was said to be a "major problem". The Rough Sleeping Strategy and Rough Sleeping Initiative were generally well received by local authorities and

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.

key informants. Concerns focussed mainly on the need to “scale up” and sustain funding for promising initiatives to tackle rooflessness.

- Statutory homeless acceptances fell slightly in 2017/18, although still remain 42 per cent above their 2009 low point. The extraordinary rise since 2010 in the number of households made homeless by the ending of private tenancies seems finally to have peaked. Homelessness temporary accommodation placements, however, have continued to rise, and now stand 71 per cent higher than in 2011, with a disproportionate rise in Bed & Breakfast use also ongoing. By mid-2018 some 85,000 homeless households were living in temporary accommodation, equating to over 200,000 people.
- Over the last decade there has been an increase of nearly 700,000 in the number (or 28% in the share) of 20-34 year olds living with their parents, with no less than 48 per cent increase in London and the South East. Around half of all concealed households would prefer to live separately, and these proportions have been increasing over the period 2008-16. Allowing for this, there are 3.74 million adults in concealed households who would prefer to live separately, including nearly 300,000 couple/lone parent family groups. Consistent with this, the proportion of younger adults heading households has fallen markedly, particularly in London and the South East where rates are 32 per cent below those in the early 1990s.
- Most local authorities (62%) reported that the Homelessness Reduction Act 2017, which came into force in April 2018, had enabled a more person-centred approach to managing homelessness in their area; less than a quarter (23%) said it had resulted in little positive effect. Two-thirds (65%) of authorities saw the Act as having

positive impacts for single people in particular. At the same time, opinions were somewhat divided on specific aspects of the legislation, such as “Duty to Refer” and “Personal Housing Plans”, and there was widespread concern about the new monitoring and record-keeping requirements embedded with the new legislation.

- The overall number of social lets continues to decline, as a result of the long-term impact of the right to buy and inadequate levels of new build. While the proportion of this (declining number) of social lets made to homeless households has recently risen (to 23%), this is still substantially lower than the proportion a decade ago (26%). This means that some 18,000 fewer social lets were made to homeless households in 2017/18 than in 2007/08, despite statutory homelessness having risen substantially over that period.
- Very few local authority respondents believed that existing social housing provision in their area is commensurate with homelessness needs, but many were at least equally concerned about the problematic profile of the local social housing stock portfolio, mismatched to need. There were also widespread anxieties about ongoing changes to housing association tenancy allocation policies impeding local authorities’ ability to resolve homelessness. Two-thirds of local authorities – 64 per cent – reported that social landlord “housing affordability” or “financial capability” checks were making it increasingly difficult for homeless households to access tenancies.
- Private rents seem to be falling in real terms across the country as a whole, but rising in London. Affordability in the sector as a whole appears to be improving, and repossessions falling.
- However, the growth in the private rented sector (only marginally

reversed in the last year) has exposed many more low-income households to higher housing costs, a smaller proportion of which are protected through housing allowances in the benefit system. These tenure-related increases in the risks of housing-related poverty, notably for younger families with children, highlight the deepening economic and social divisions in England between “insiders” (older owner occupiers) and “outsiders” (younger households without access to wealth or high-paying jobs).

- The safety net once provided by Housing Benefit, whereby post-housing incomes were protected from erosion below basic benefit levels, has now effectively ended for the bulk of private tenants in receipt of benefit across the country, with young people under 35 particularly badly affected by reduced Local Housing Allowance rates and the working age benefit freeze.
- Hardship due to standard delays for initial Universal Credit payments is compounded by widespread system errors; in some cases causing destitution. Recent Government concessions on the design and implementation of Universal Credit are welcome, but these must be extended to further mitigate risks of rising rent arrears that can lead to homelessness. New measures are needed to tackle payment delays and deductions and to fast-track rental assistance directly to landlords where appropriate.
- Further tightening of the Benefit Cap means that it now affects almost 53,000 households as its impact has spread out from London. Almost three-quarters of affected

households are headed by lone parents - the group least able to avoid the cap by moving into work or increasing their hours. The cap is enacted in the first instance by reducing housing support payments, and although this might be mitigated through Discretionary Housing Payments, the scale of the losses is such that the scope for mitigation is limited.

- Only around a third of local authorities reported that the Local Welfare Assistance scheme in their area played either a “very” or “somewhat” significant role in preventing or alleviating homelessness. In all, 18 per cent of responding local authorities reported that they had no Local Welfare Assistance scheme at all any more in their area, including 38 per cent in the Midlands.
- There are widespread anxieties about the likely homelessness impacts of future welfare reforms already programmed to take effect over the next two years. Nearly two thirds of local authorities anticipate a “significant” increase in homelessness as a result of the full roll-out of Universal Credit, with a further 25 per cent expected some level of increase.
- The economic outlook remains clouded by uncertainty surrounding Brexit, with future prospects dependent on the outcome. A chaotic exit, for example, can be expected to lead to a severe economic downturn.

Trends in homelessness **Rough sleeping**

The Autumn 2018 rough sleeper³ enumeration marked the first

³ People sleeping rough are defined as: people sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down in the open air (such as on the streets, in tents, doorways, parks, bus shelters or encampments). People in buildings or other places not designed for habitation (such as stairwells, barns, sheds, car parks, cars, derelict boats, stations, or “bashes” which are makeshift shelters, often comprised of cardboard boxes). See Ministry of Housing, Communities and Local Government (2018) *Rough Sleeping Statistics Autumn 2018, England*. Online: MHCLG. <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>

reduction in the national total for a decade. Notwithstanding that the England-wide total remained 165 per cent higher than in 2010, it fell back by 2 per cent on 2017. At the same time, however, a drop was recorded in only one of England's four broad regions, the (largely non-metropolitan) South. Here, recorded rough sleepers were 19 per cent fewer in number in Autumn 2018 than a year previously. In the other three broad regions, rough sleeping continued to increase in 2018 – by 13 per cent in London, by 28 per cent in the Midlands and by 7 per cent in the North. Numbers rose substantially in the core cities of both Manchester (by 31%) and Birmingham (by 60%), where there have been high-profile Mayoral pledges to tackle the problem,⁴ albeit that the officially recorded level fell in the wider Manchester combined authority area.

Commenting on the 2018 statistics, the Ministry for Housing, Communities and Local Government noted a greater degree of reduction in 83 local authorities taking part in the Rough Sleeping Initiative in 2018 (-19%) than the overall average reduction.⁵ Several key informants, from both the statutory and voluntary sector, directly attributed these trends to the positive impact of the Rough Sleeping Initiative in targeted areas. However, the UK Statistics Authority has recently cast doubt on that interpretation.⁶

The most robust and comprehensive rough sleeper monitoring data in the UK remains the Greater London Authority's CHAIN system managed by St Mungo's.⁷ The latest (Q4 2018) CHAIN data appears fairly consistent

with the London borough rough sleeper enumeration returns to MHCLG in indicating a 25 per cent annual increase for London. This followed an apparent 2016 CHAIN-enumerated rough sleeping peak. This latest increase resulted substantially from a strong reversal of the previous decline in Central and Eastern European rough sleeper numbers. Mainly due to rising numbers of rough sleepers of Polish and Romanian origin, this cohort increased by 69 per cent compared with Q4 2017 to stand at its highest-ever recorded level. Enumerated rough sleepers of UK origin, meanwhile, grew in number by 13 per cent, likewise reaching a new record number.

Across England as a whole, a quarter of rough sleepers are non-UK nationals according to the 2018 official estimates – a proportion which has increased substantially since 2017 and involves mainly citizens of other European Economic Area countries. Homelessness involving migrants was said to constitute a problem in more than half of all local authorities that responded to this year's online survey. This was particularly true with regard to homelessness amongst European Economic Area migrants – 52 per cent of all responding authorities considered this a problem in their area. However, while homelessness amongst European Economic Area migrants was said to pose a "major problem" in more than half of London Boroughs (58%), in all other regions this was true of less than 10 per cent of responding authorities.

The Office of National Statistics has recently published the first "experimental statistics" on the number of deaths of homeless people in England and Wales.⁸ This estimates 597 deaths of homeless people in England and Wales in 2017, a 24 per cent increase over the last five years.⁹ Men accounted for 84 per cent of in the 2017 total, meaning that there were more than five times as many recorded male deaths as female deaths in the homeless population. The mean age at death of homeless people was 44 years for men, 42 years for women and 44 years for all persons between 2013 and 2017; in comparison, in the general population of England and Wales in 2017, the mean age at death was 76 years for men and 81 years for women. Over half of all 2017 deaths of homeless people were due to drug poisoning, liver disease or suicide.

"Core homelessness"

In a parallel research project for Crisis, Heriot-Watt University has developed the concept of "core homelessness", which focuses on people who are the most extreme homeless situations.¹⁰ This encompasses much more of the single homeless population traditionally inadequately reflected in statutory homelessness statistics, including people who are rough sleeping or in "quasi rough sleeping" situations (such as sleeping in cars, tents, public transport¹¹); but also those: sleeping in cars, tents, public transport ("quasi rough sleeping"); squatting and occupation of non-residential buildings; staying in hostels,

refuges and shelters; unsuitable temporary accommodation (e.g. Bed & Breakfast, non-self-contained, a proportion of out of area placements); and "sofa-surfing", i.e. staying with non-family, on a short-term basis, in overcrowded conditions.

The overall level of core homelessness in England (number homeless on a typical night) has risen from 120,000 in 2010 to 153,000 in 2017, an increase of 28 per cent over the period. The overall annual rate of increase has been fairly steady in this period. However, different components have shown contrasting trends. Hostels etc. has declined by nearly 20 per cent, as funding restrictions have reduced capacity,¹² rough sleeping and related categories have increased quite strongly, as reflected in official statistics (165% increase since 2010). However, the fastest-growing component has been unsuitable temporary accommodation (260% increase), reflecting the growing pressure on local authorities as increased demand has faced static or falling supply of social lettings and increasing difficulty in achieving private rental placements. The largest category of core homelessness is sofa surfing, and this has grown by 26 per cent.

Statutory homelessness

Most of those participating in this year's LA survey (71%) reported that homelessness had been recently increasing – in a quarter of areas to a "significant" extent. Importantly,

4 See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2018); *The Homelessness Monitor, England 2018*. London: Crisis for a detailed discussion of city-regional devolution and homelessness.

5 Ministry of Housing, Communities and Local Government (2018) *Rough Sleeping Statistics Autumn 2018*, England. Online: MHCLG. <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>

6 UK Statistics Authority (2018) *Use of statistics on impact of Rough Sleeping Initiative*. Online: UK Statistics Authority. <https://www.statisticsauthority.gov.uk/correspondence/use-of-statistics-on-impact-of-rough-sleeping-initiative/>

7 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 MHCLG national monitoring methodology as described above.

8 Office for National Statistics (2018) *Deaths of Homeless People in England and Wales: 2013-2017*. Online: ONS. <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2013to2017>

9 The meaning of homelessness in this statistical release is based on the scope for identification of homeless individuals in the death registration data. The records identified are mainly people sleeping rough, or using emergency accommodation such as homeless shelters and direct access hostels, at or around the time of death.

10 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain. Summary Report*. London: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf

11 Note that people who are sleeping in cars and tents, but not those on public transport, are included in the official rough sleeping statistics. Ministry of Housing, Communities and Local Government (2018) *Rough Sleeping Statistics Autumn 2018, England*. Online: MHCLG. <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>

12 The declining supply of hostel places in England is documented in the annual Homeless Link reports on Support for Single Homeless People, from which it is clear that the reduction is due to funding restriction rather than any reduction in need or demand.

however, when asked about the change in Housing Options service demand over the previous year, respondents will have referenced the period from around October 2017 to September 2018. Half of this period (since April 2018) coincides with the early implementation of the Homelessness Reduction Act 2017 (see below), and many attributed recent increases to effects of the new legislation, particularly bringing forward more presentations from single people (see below). However, some argued that any “expressed demand” impact arising from the new legislation needed to be seen within the context of longer-term trends associated with welfare reform and housing market factors that were at least as significant.

Nationally, 2017/18 saw a small drop in the recorded statutory homelessness caseload, as reflected by the total number of formal local authority assessment decisions and, within that, “homeless – main duty accepted” cases. The total number of main duty decisions fell by some 5 per cent to stand at 109,000 – or 23 per cent higher than the 2009/10 low point. Similarly, “homeless – main duty accepted” cases (households deemed unintentionally homeless and in priority need) fell back by 4 per cent in 2017/18 to stand at 56,600 – 42 per cent above their 2009/10 low point.

The period from 2009/10 saw major inter-regional divergence in the changing scale of statutory homelessness, with rising numbers during this period recorded mainly in London and the South. These contrasting trends are consistent with known regional variations in housing market conditions seen during this period, and with our overarching understanding that it is

changes in such market conditions – and not broader economic factors – that underlie trends in aggregate homelessness numbers. In the most recent two years a more regionally convergent pattern appears to have been established. It is, however, possible that the 2017/18 statistics were affected by preparations for transition to the Homelessness Reduction Act 2017 framework, and that such work was more advanced in some regions than others.¹³

At 56,600, annual homelessness acceptances were some 17,000 higher across England in 2017/18 than in 2009/10. The vast bulk of this increase resulted from the sharply rising numbers made homeless from the private rented sector with annual losses of Assured Shorthold Tenancies having quadrupled during the period – from less than 5,000 to over 18,000 (18,270) in 2016/17. In the latest year, however, that trend was reversed, whereas other “immediate causes” of homelessness remained more stable. This about turn in the trend in private tenancy termination-related acceptances may reflect the filtering through of a sharp reduction in the number of relevant repossession since 2015, which may in turn reflect a contraction in the overall number of low-income households managing to access the private rented sector with the assistance of the Local Housing Allowance (especially in central London).

Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 5 per cent in the year to 30 June 2018 to exceed 82,000 – up by 71 per cent from its low point seven years earlier. London continues to account for over two thirds of the total number of placements at any one point in time

(57,000 as at 30 June 2018 – 69%). Since the published data also show that temporary placements as at 30 June 2018 involved some 124,000 children, it is clear that the number of people affected will have exceeded 200,000.

Although accounting for only 8 per cent of the national temporary accommodation total as at 30 June 2018, B&B placements have risen much faster than other forms of temporary accommodation. Totalling 6,890, the number of placements was 6 per cent higher than a year previously and 266 per cent higher than in 2009. Signs of stress are also evident in the substantial levels of out-of-borough temporary accommodation. As at 30 June 2018 such placements numbered 23,640, most of these the responsibility of London boroughs. At 29 per cent of the national total this represented a large increase on the 11 per cent recorded in 2010/11.¹⁴ These forms of temporary accommodation (B&B and out of area placements) are counted in the “core homelessness” measure discussed above and are generally the most sensitive barometer of pressures within that.

The non-statutory homelessness prevention caseload remained far larger than the formal statutory homelessness cohort in the immediate pre-Homelessness Reduction Act period. Looked at in a longer-term perspective, the most striking homelessness prevention “growth activity” has involved debt advice and financial assistance which, in 2017/18, accounted for almost 60,000 prevention instances – up from only

16,000 in 2009/10. This would seem highly consistent with the impacts of “welfare reform” on those in precarious housing circumstances (see below).

The introduction of the Homelessness Reduction Act creates a major discontinuity in most of the official statistics relating to homelessness in England. As in Wales previously, where similar prevention-focused legislation was introduced in 2015, many more people (particularly single people) will be officially recorded as seeking assistance but initially most will be classified as “prevention” and/or “relief” cases. Only a proportion will in the end be accepted under the main local authority re-housing duty, and it is likely that this number will remain lower than in the past, thanks to the more comprehensive prevention activity as legally mandated under the new framework. At the time of writing, only one quarter’s data was available under the new regime, categorised as ‘experimental statistics’, and subject to many caveats as to its interpretation.

Wider forms of potential 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 homeless but whose situation is not ‘visible’ either on the streets or in official statistics. This includes concealed households,¹⁵ sharing households¹⁶ and overcrowded households.¹⁷ Around half of all concealed households would prefer to live separately, and these proportions have been increasing over the period 2008-16. Allowing for this, there are 3.74

¹³ Ministry for Housing, Communities and Local Government, for example, notes that the London Borough of Southwark, historically a major contributor to the London-wide homelessness total, implemented HRA procedures as from April 2017, rather than April 2018. See also the recently published evaluation of the homelessness ‘trailblazer’ programme Ministry of Housing, Communities and Local Government (2018) *Evaluation of Homelessness Prevention Trailblazers*. Online: MHCLG. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791585/Evaluation_of_Homelessness_Prevention_Trailblazers.pdf

¹⁴ 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

¹⁵ ‘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.

¹⁶ ‘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.

¹⁷ ‘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.

million adults in concealed households who would prefer to live separately, including nearly 300,000 couple/lone parent family groups. These numbers represent broad stability alongside the estimates presented in recent Monitors but a rise of about a third since 2008.

Over the last decade there has been an increase of nearly 700,000 in the number (or 28% in the share) of 20-34 year olds living with their parents, with no less than 48 per cent increase in London and the South East. The flipside of this is that the proportion of younger adults heading households has fallen markedly, particularly in London and the South East where rates are 32 per cent below those in the early 1990s. These pronounced declines in household headship rates are associated with the impacts of a tight housing market¹⁸ and also of worsening real income/living standards among younger working age people in this period.¹⁹ Thus, 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.²⁰

The trajectory of sharing over time 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. These fluctuations may reflect the financial crisis and subsequent recession and the expansion of private renting. It now appears that sharing has turned up

significantly, being at its highest rate for 20 years.

Overcrowding increased to quite a pronounced extent from 2003 to 2009, and broadly speaking has plateaued subsequently. On the most recent figures, 704,000 households (3.1%) were overcrowded in England. Overcrowding is less common and tending to decline in owner occupation (1.3%) but much more common in social renting (7.2%) and private renting (5.2%). The upward trend in overcrowding was primarily associated with the two rental tenures, with private rental overcrowding increasing strongly up to 2009; social renter crowding rose from 2004 to 2009, fell back a bit but has increased again from 2012 to 2016. As with the other housing pressure indicators considered here, there is a much higher incidence of crowding in London (across all tenures), with a rate of 7.3 per cent in 2014-16, although this has fallen slightly since 2008-10. Crowding tends to affect families particularly.

Economic and policy impacts on homelessness

The post-crisis economy has settled into a familiar pattern of low growth and high employment, but there have been recent signs of the economy slowing from what was already an anaemic base. Employment remains at record high levels, whilst unemployment (as measured through the Labour Force Survey (LFS) at 4 per cent was at its lowest level since the mid-1970s.²¹ However, earnings growth remains weak. Real earnings in 2018 rose by just 1.3 per cent (when bonuses are

included).²² Over the longer period since 2004 only older workers, primarily those over 50, saw marked increases in earnings. Younger workers, meanwhile, saw reductions. Since 2010, the biggest real drop in earnings was 6.3 per cent for those aged 30-39, a key age group for becoming established in the housing market. Any attempt to forecast economic trends is of course clouded in the uncertainty of Brexit, but (almost) all economists agree that any form of Brexit will be damaging to the economy, and that the “harder” the form of Brexit the more damaging it will be.

Estimates of the amount of additional housing required vary widely, but the balance of evidence suggests that the levels of unmet housing need far exceed current rates of housebuilding (and other net additions to the stock), despite a continued upward trajectory in residential construction.²³ Overall, the stock grew by 222,190 units in 2017/18. This marked the largest increase since the Global Financial Crisis and is almost as high as the previous peak in 2007/08. However, the rate of increase in supply slowed in 2017/18 and was only 2 per cent higher than in the previous year. The Government is unlikely to meet its all-tenure annual growth target of 300,000 units, which in any case undershoots the requirement for 340,000 units per year over 15 years published by Crisis and the National Housing Federation.²⁴

The Government has rowed back from the stance taken after 2016 when it marginalised social rented

housing in its investment plans, and instead shifted the emphasis towards home-ownership. Since then Ministers have reallocated funds towards rental, including social rental, housing, and a further £2 billion was added to the overall programme in 2018. The borrowing cap on English local authority housing has been lifted, and the rent reduction policy, which has also constrained social landlords’ investment capacity, is due to end in April 2020. However, the annual level of affordable housing output being attained remains below 35,000 units, which is a very long way from the levels of need identified by Crisis and the National Housing Federation. These suggest an annual requirement for 90,000 units of social rented housing (and a further 28,000 low-cost home ownership dwellings and 32,000 for intermediate rent) - thus implying the need for a very considerable scaling-up of the affordable housing programme.²⁵

In contrast to Scotland and now Wales, right to buy continues in England, and under the Government’s policy of “reinvigoration” annual sales have risen from less than 4,000 to between 16,000 and 18,000.²⁶ In 2016/17 right to buy sales offset almost 60 per cent of the rental new build (social and affordable rental dwellings combined). In 2017/18 sales equated to 46 per cent of rental new build.²⁷

At the time of this year’s local authority online survey, the Homelessness Reduction Act 2017 had been in force

18 Econometric evidence on the influence of housing costs/affordability on household formation is reported in Bramley, G. & Watkins, D. (2016) ‘Housebuilding, demographic change and affordability as outcomes of local planning decisions: exploring interactions using a sub-regional model of housing markets in England’, *Progress in Planning*, 104, pp.1-35

19 As evidenced for example in Lansley, S. & Mack, S. (2015) *Breadline Britain: the Rise of Mass Poverty*. London: Oneworld, and more recently in Cribb, J. Hood, A. Joyce, R., and Norris Keiller, A. (2017) *Living standards, poverty and inequality in the UK: 2017*. London: The Institute for Fiscal Studies, esp. s.2.3

20 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.

21 Office for National Statistics (2019) *UK Labour Market: February 2019*. Online: ONS. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2019>

22 Office for National Statistics (2019) *UK Labour Market: February 2019*. Online: ONS. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2019>

23 Perry, J. (2019) ‘Dwellings, Stock Condition and Households’, in Stephens, M., Perry, J, Williams, P. and Young, G. (eds) *UK Housing Review 2019*, Coventry: CIH.

24 Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation. https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf

25 Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation. https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf; see also Shelter (2018) *A Vision for Social Housing*. Online: Shelter. https://england.shelter.org.uk/support_us/campaigns/a_vision_for_social_housing

26 Stephens, M. et. al. (2019) *UK Housing Review 2019*. Coventry: CIH. Table 20a. <https://www.ukhousingreview.org.uk/ukhr19/compendium.html>

27 Ibid.

for around 6 months. Local authorities' perceptions of these very early stages of the Act's implementation paint a fairly encouraging picture. Most notably, well over half of LA respondents (62%) saw the Act as having enabled a "more person-centred approach", with this response particularly common in London (79%). Less than a quarter of respondents (23%) saw the HRA as having had "little positive effect". Numerous councils reported that the new legislation had impacted positively on their organisational culture and service quality, with two-thirds (65%) viewing it as having benefited single homeless people, in particular.

However, opinion was more divided on certain specific aspects of the 2017 Act. Personal Housing Plans, for example, were viewed by some local authority respondents as a beneficial device in promoting a more person-centred approach, while others expressed frustration around attempts to engage applicants in self-help as envisaged under the model. Many key informants and local authorities called for the expansion of the new "Duty to Refer" to specify robust obligations for other public bodies to cooperate with local authorities in the prevention and resolution of homelessness. There were also widespread concerns about the monitoring and record-keeping requirements embedded with the new legislation, including (but far from limited to) the new H-CLIC statistical return.²⁸ Many felt that these bureaucratic burdens were seriously impeding their capacity to engage in the intensive casework with homeless applicants that was required by both the letter and the spirit of the 2017 Act.

The new Rough Sleeping Strategy published in Summer 2018²⁹ was

generally well received by relevant local authorities and key informants (see above). Concerns focussed mainly on the need to "scale up" and sustain funding for promising initiatives to tackle rough sleeping and homelessness amongst people with complex support needs, including Housing First, local service "navigators", and "Somewhere Safe to Stay" rapid assessment hubs.

Notwithstanding the dominant local authority view that the "New Burdens" funding provided alongside the 2017 Act was inadequate in relation to mandated new duties, significant credit was given to the Ministry for Housing, Communities and Local Government for managing to extract substantial new resources invested to address both rough sleeping and homelessness in the midst of ongoing austerity. That said, the multiple and seemingly uncoordinated nature of the relevant funding streams was considered problematic, not least because of the significant "transaction" costs imposed on local authorities forced to engage in regular bidding rounds, often at very short notice, for relatively small amounts of money. It is also clear that these additional income streams, even in combination, go only a very short way towards compensating for massive reductions in mainstream local authority funding that have occurred since 2010, particularly with regard to housing-related support revenue funding ("Supporting People").³⁰

This year's Monitor took as one of its principal themes access to social housing for homeless people and those at risk of homelessness, which has continued to become more difficult as lets to new tenants fell

sharply after 2015/16. The current level of lets to new tenants is 174,000 per year (2017/18) which is less than half of the level seen in the late 1990s.³¹ Moreover, there were 39,000 fewer new social lets in 2017/18 than five years earlier in 2012/13. The continued long-term decline in lettings is the inevitable consequence of lower levels of new build and the long-term impact of the right to buy. The proportion of social housing lets to new tenants allocated to homeless households in England, currently around 23 per cent, has increased slightly in the past few years. Nonetheless this proportion (of a declining absolute number) of social lets still remains considerably lower than in previous years. A decade ago the proportion was 26 per cent.³² This means that some 18,000 fewer social lets were made to homeless households in 2017/18 than in 2007/08, despite statutory homelessness having risen substantially over that period.

Exacerbating overarching supply concerns, ongoing shifts in housing association tenancy allocation policies and practices are perceived by local authorities as increasingly impeding their ability to resolve homelessness. Nearly half of council respondents (47%) reported that problematic changes of this kind had recently taken place amongst housing associations in their area. An even larger proportion (almost two-thirds - 64%) reported that social landlord "housing affordability" or "financial capability" checks (usually imposed by housing associations) were making it increasingly difficult for homeless households to access tenancies in their area.

This said, while local authorities are very critical of housing association practices with regard to allocations to homeless households, disaggregated

data indicates that there are some difficult questions for local authorities to answer on this front too. In light of the decline in absolute numbers of social housing lettings and rising homelessness, it is reasonable to expect the proportion of lets to homeless households would rise sharply, but in fact the reverse seems to have happened. Whilst the data is illustrative rather than fully robust, it suggests that there has been a decline in the proportion of council lettings to new tenants that are allocated to homeless households from 30 per cent in 2007/08 to somewhere between 22 per cent and 25 per cent in 2017/18, while the equivalent housing association share has remained relatively steady at 23 per cent.

While relevant trends in the private rented sector are more complex than those in social housing, they are no more encouraging from the perspective of homelessness prevention and alleviation. There has been a downturn in private renting and an upturn in ownership in 2017/18, which is likely to reflect the cooling of the buy-to-let market in response to tax changes and the assistance given to home owners, including stamp duty exemptions. As indicated by Government survey data, the proportion of households renting privately fell from a peak of 20.3 per cent in 2016/17 to 19.5 per cent in 2017/18.³³ This is the first recorded fall for almost two decades. Private rents appear to be falling in real terms across the country as a whole, but rising in London.³⁴ Affordability in the sector as a whole appears to be improving.

28 H-CLIC is the case level statutory homelessness data collection tool which has replaced the P1E statistical return.

29 MHCLG (2018) *Rough Sleeping Strategy*. London: Ministry of Housing, Communities and Local Government. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733421/Rough-Sleeping-Strategy_WEB.pdf

30 Thunder, J. & Rose, C.B. (2019) *Local Authority Spending on Homelessness: Understanding Recent Trends and their Impact*. London: St Mungo's and Homeless Link.

31 UK Housing Review 2019, Table 102

32 Stephens, M. et. al. (2019) *UK Housing Review 2019*. Coventry: CIH. Table 98c. <https://www.ukhousingreview.org.uk/ukhr19/compendium.html>

33 English Housing Survey 2017/18, Annex Table 1.1

34 English Housing Survey, 2017/18, Annex Table 1.12

However, arguably of greater significance in the context of the Homelessness Monitor is our finding this year that the medium-term shift towards private renting (only marginally reversed in the last year) has exposed many more low-income households to higher housing costs. Between 2002/03 and 2016/17, people in the bottom income quintile experienced a 47 per cent rise in mean housing costs.³⁵ Whilst 17 per cent of this increase is attributable to rising private rents, 40 per cent of it arose from tenure change. The tenure change effect is even greater for the second lowest income quintile. Almost three-quarters (73%) of the 37 per cent increase in their housing costs is attributable to tenure change.³⁶ These tenure-related changes in the risks of housing-related poverty, notably for younger families with children, reinforce the deepening divisions between housing market “insiders” (older owner occupiers) and “outsiders” (younger households without access to wealth or high-paying jobs).

At the same time as this tenure shift has exposed many more low-income households to higher housing costs, a smaller proportion are now protected through the benefit system, with the share of private tenants in receipt of help with housing costs falling from around one-quarter in 2014/15 to around one-fifth in 2017/18 - bringing it back to the proportion last seen in 2008/09.³⁷ Administrative data suggests that Local Housing Allowance claims (and subsequently claims for private tenants assisted through the housing cost element in Universal Credit) rose between 2010 and 2014 and fell back thereafter. Claims in London as a whole fell sharply between 2014 and 2016 and have remained virtually flat subsequently. In all other regions, with the exception of

the North East, they have continued on a pronounced downward trajectory post 2016, with this being particularly true in southern England.

This pattern is consistent with the improved economy continuing to “pull” some private rented sector tenants out of reliance on benefit, especially in the more prosperous South, but also with the Local Housing Allowance caps and freezes “pushing” some low-income households out of the private rented sector more abruptly and sooner in the capital than elsewhere. The timing of this contraction in the number of private rented sector tenants in receipt of help with housing costs is also broadly in step with a sustained reduction in Assured Shorthold Tenancy evictions since 2015,³⁸ and also with a more recent reversal in the upward trajectory in Assured Shorthold Tenancy - related homelessness acceptances (see above).

Many of these access issues with regard to the private rented sector, but also in the housing association sector, hinge of course on the fundamental weakening of mainstream welfare state protection that has taken place since 2010. The safety net once provided by Housing Benefit, whereby income to spend on other (non-housing) essentials was protected from being pushed below basic benefit levels, has now effectively ended in the bulk of the private rented sector across the country, with young people and those living in high value areas particularly badly affected by the Local Housing Allowance caps and the working age benefit freeze.

The reduction in the Benefit Cap means that it now affects almost 53,000 households as its impact has spread out from London. Almost three-quarters of affected households

are headed by lone parents - the group least able to avoid the cap by moving into work or increasing their hours. The cap is enacted in the first instance by reducing Housing Benefit, and has left many families unable to afford social housing, let alone private rented housing, in large swathes of the country. The implications for homelessness risks are obvious.

As is well known, the delay for claimants in receiving their first Universal Credit payment is accompanied by high levels of errors in the system and is causing, alongside debt-related at-source deductions and benefits sanctions, acute hardship for many claimants. Recent concessions by Government in the design and implementation of Universal Credit are welcome, but there is a need to go further in tackling problems of payment delays and deductions, and in the payment of rental assistance directly to landlords, if the associated rent arrears and homelessness risks are to be reduced.

At the same time, our local authority survey indicates that emergency help from the state in the form of Local Welfare Assistance funds has entirely disappeared in around a fifth of all English local authorities (18%), including almost two-fifths (38%) of those in the Midlands. In many other places they are so depleted that they are viewed as playing only a marginal, if any, role in preventing or alleviating homelessness.

It is little wonder then that there are widespread anxieties about the likely homelessness impacts of future welfare reforms already programmed to take effect over the next two years. Nearly two thirds of local authorities anticipate a “significant” increase in homelessness as a result of the full roll-out of Universal Credit, with a further 25 per cent expected some

level of increase. Around half of local authorities likewise expect that the freeze in Local Housing Allowance rates and other working age benefits, and the lowered benefit cap, will significantly increase homelessness in their area.

Conclusion

For perhaps the first time since the Monitor series began, there is some good news on homelessness in England, at least with regard to policy developments. This year’s fieldwork has tapped into a modest – but palpable – sense of relief, among both local authorities and key informants, that central government was at last showing some leadership on homelessness and rough sleeping, and supporting councils in a more proactive and purposeful way. It is clear that the current Government has decided, implicitly at least, that the policy of Localism has not been a success with regard to homelessness; a position strongly supported by the evidence presented in this Monitor series back to 2011.

Homelessness-specific progressive measures have recently been enacted and implemented. However, these must be viewed in the very sobering broader context of a prolonged and still ongoing contraction in access to genuinely affordable housing for low-income households, and a much diminished welfare safety net that failed to protect around 1.5 million people in the United Kingdom from absolute destitution in 2017.³⁹ We will continue to track 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 2022.

35 Cribb, J, Norris Keiler, A and Waters, T (2018) Living standards poverty and inequality in the UK: 2018, IFS <https://www.ifs.org.uk/publications/13075>

36 Ibid.

37 English Housing Survey, Annex Table 1.14

38 ONS (2018) Mortgage and Landlord Possession Statistics Quarterly, Table 8

39 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Wood, J., Johnsen, S., Littlewood, M. & Watts, B. (2018) *Destitution in the UK: Final Report*. York: JRF. <https://www.jrf.org.uk/report/destitution-uk-2018>

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