



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



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

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

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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.

Crisis head office

66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012
www.crisis.org.uk

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Acronyms

AHC	After Housing Costs
AST	Assured Shorthold Tenancy
BHC	Before Housing Costs
BRMA	Broad Rental Market Area
CEE	Central and Eastern European
CHAIN	Multi-agency database recording information about rough sleepers and the wider street population in London
CIH	Chartered Institute of Housing
CPAG	Child Poverty Action Group
CPI	Consumer Price Index
DHP	Discretionary Housing Payment
DTR	Duty to refer
DWP	Department for Work and Pensions
EEA	European Economic Area
EHS	English Housing Survey
EU	European Union
GB	Great Britain
GDP	Gross Domestic Product
GFC	Global Financial Crisis
H-CLIC	Case-level statutory homelessness data collection tool
HB	Housing Benefit
HRA	Homelessness Reduction Act
IFS	Institute for Fiscal Studies
JSA	Jobseeker's Allowance
LA	Local Authority
LFS	Labour Force Survey
LHA	Local Housing Allowance
LWA	Local Welfare Assistance schemes
MHCLG	Ministry for Housing, Communities and Local Government
NAO	National Audit Office
ONS	Office for National Statistics
PRS	Private Rented Sector
RRP	Rapid Rehousing Pathway
RSI	Rough Sleepers Initiative
RSS	Rough Sleeping Strategy
SAR	Shared Accommodation Rate
TA	Temporary accommodation
TAF	Targeted Affordability Fund
TPD	Third Party Deductions
UC	Universal Credit
UK	United Kingdom

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

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

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.

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

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.

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>

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.

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,

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

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.

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

(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-focussed 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 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

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.

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>

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 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

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.

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.

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.

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

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

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

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.

Introduction

1. Introduction

1.1 Introduction

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

This eighth annual report provides an account of how homelessness stands in England in 2019 (or as close to 2019 as data availability will allow), and analyses key trends in the period running up to 2019. This year’s report focuses in particular on what has changed over the past year. Readers who would like a fuller account of the recent history of homelessness in England should consult with the previous Homelessness Monitors for England, which are available on Crisis’s website.⁴⁰ Parallel Homelessness Monitors are being published for other parts of the United Kingdom (UK).

1.2 Scope of report

There is a great deal of debate on the most appropriate definition of homelessness, with stakeholders often disagreeing vigorously on where the boundary should lie between “homelessness” and other forms of housing need.⁴¹ In order for this report to be as comprehensive and inclusive as possible, we adopt a range of definitions or “perspectives” on homelessness, considering the impacts of relevant policy and economic changes on the following (partially overlapping) groups:

- People sleeping rough.
- People experiencing “core homelessness”:⁴² this refers to households who are currently experiencing the most acute forms of homelessness. It includes people in the following situations: rough sleeping (also considered separately, as noted above); sleeping in cars, tents and public transport, unlicensed squatting, or occupation of non-residential buildings; staying in hostels, refuges and shelters; living in “unsuitable” temporary accommodation (TA) (e.g. B&B); sofa-surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions).

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>

⁴⁰ See Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

⁴¹ Busch-Geertsema, V., Culhane, D., & Fitzpatrick, S. (2016). ‘Developing a global framework for conceptualising and measuring homelessness.’ *Habitat International*, 55, 124–132.

⁴² Crisis (2017) *Homelessness projections: Core homelessness in Great Britain, Summary Report*. Online: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf

- Statutorily homeless households – that is, households who seek or receive housing assistance from local authorities (LAs) on grounds of being currently or imminently without accommodation.
- People experiencing “wider homelessness”: a range of housing situations which may, for some people, constitute a form of “hidden homelessness”, while for others it may constitute a situation of risk which may lead to homelessness at a future date, or an ongoing situation of unmet housing need. This includes “overcrowded” households, and also “concealed” households and “sharing” households.

1.3 Research methods

Four main methods have been employed in this longitudinal study:

- First, relevant literature, legal and policy documents are reviewed each year.
- Second, we undertake annual interviews with a sample of key informants from the statutory and voluntary sectors across England. The current sample of 14 key informants includes representatives of homelessness service providers, as well as other key stakeholders with a national overview of relevant areas of policy and practice in England (see Appendix 1 for the basic topic guide used, though note that this was tailored for each interviewee).
- Third, we undertake detailed statistical analysis on a) relevant economic and social trends in England; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above.
- Fourth, for the fourth year in a row

we have conducted a bespoke online survey of England’s 326 LAs (in Autumn 2018). The aim of this survey was to delve beneath the official statistics to enhance understanding of how housing market trends, welfare reforms, and other key policy developments have impacted on homelessness trends and responses at local level. In all, 51 per cent of all LAs in England submitted full responses to the survey with a relatively even spread across all regions. See Appendix 2 for details.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.⁴³

Theoretical, historical and international perspectives indicate that the causation of homelessness is multi-dimensional, with no single “trigger” that is either “necessary” or “sufficient” for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour-market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors. The central role that poverty plays in shaping homelessness risks in the UK is also now well established.⁴⁴

The individual vulnerabilities, support needs, and “risk taking” behaviours implicated in some people’s homelessness are themselves often, though not always, also rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the “anchor” social relationships which can act as a primary “buffer” to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in England could also be expected to generate more “individual” and “interpersonal” vulnerabilities to homelessness over time, with any improvement in such conditions tending to have the reverse effect.

That said, most key informants consulted for the various Homelessness Monitors we have conducted since 2011 have maintained that housing and welfare policies affecting low-income households have a far more profound impact on homelessness trends than general economic climate. The UK Government does not necessarily accept this characterisation of the causation of rising homelessness in England, especially the link made with welfare reform, and have commissioned a feasibility study to develop a new suite of quantitative, predictive models of homelessness and rough sleeping in England.⁴⁵

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness. Chapter 3 shifts focus to the Government’s welfare and housing reform agenda and its likely homelessness impacts. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in England, focusing on the four sub-groups noted above.

All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2018, and from the statistical and qualitative information gleaned from this year’s online survey of LAs. In Chapter 5 we summarise the main findings of this year’s report.

Each edition of the Monitor adopts a particular theme. This year we have elected to pursue a focus on access to social housing for homeless people and those at risk of homelessness, alongside investigating the major homelessness policy developments of the year, namely the implementation of the Homelessness Reduction Act 2017 (HRA) and the new Rough Sleeping Strategy (RSS).

⁴³ For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

⁴⁴ Bramley, B. & Fitzpatrick, S. (2018) ‘Homelessness in the UK: who is most at risk?’, *Housing Studies*, 33:1, 96-116.

⁴⁵ Ministry of Housing, Communities and Local Government (2019) *Causes of homelessness and rough sleeping feasibility study*. Online: MHCLG. <https://www.gov.uk/government/publications/causes-of-homelessness-and-rough-sleeping-feasibility-study>

Economic factors

2. Economic factors that may impact on homelessness in England

2.1 Introduction

This chapter reviews recent economic and housing market developments in England and analyses their potential impact on homelessness. In this year's online LA survey there was a particular focus on investigating access to social housing for homeless households and those at risk, and the results are presented in detail in Section 2.6 below.

2.2 The broader economic context

The post crisis economy has settled into a familiar pattern of low growth and high employment, but there are now clear signs that the economy is slowing from what was already an anaemic base.

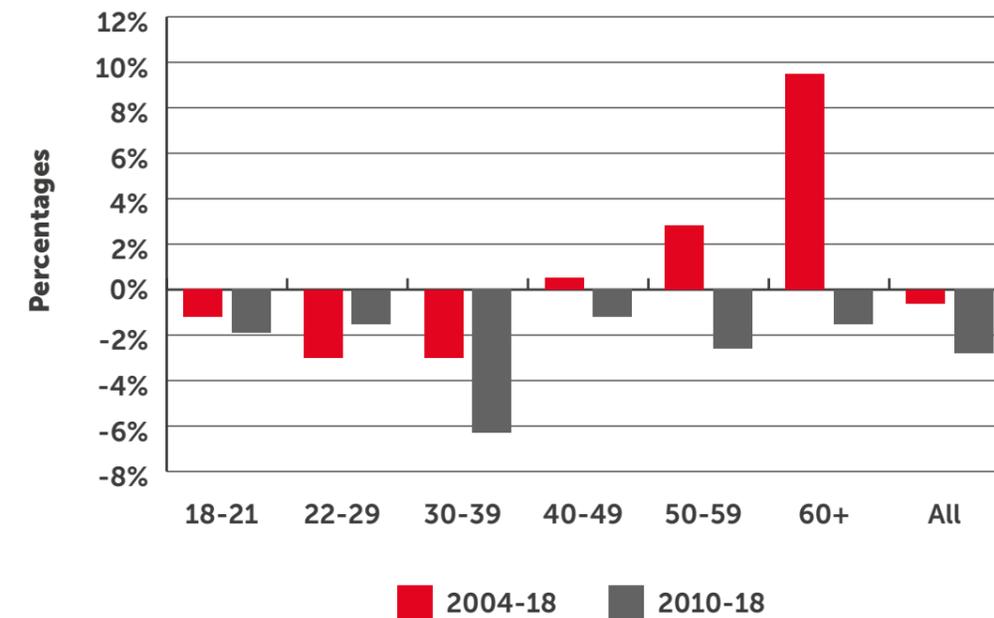
The economy slowed in the last quarter of 2018 with annual growth falling to 1.4 per cent in 2018, the

lowest level since 2009.⁴⁶ One of the drivers of this deterioration was the construction sector where activity fell sharply by 2.8 per cent in December 2018 reflecting a 6.8 per cent fall in new housing work.⁴⁷

Employment remains at record high levels, with three-quarters of 16-64 year olds in work in the last quarter of 2018, whilst unemployment (as measured through the Labour Force Survey (LFS)) at 4 per cent was at its lowest level since the mid-1970s.⁴⁸ One-fifth of 16-64 year olds are economically inactive, but this is the lowest level since records began in 1971.

However, earnings growth remains weak. Real earnings in 2018 rose by just 1.3 per cent (when bonuses are

Figure 2.1 Changes in Real Median Annual Earnings, UK 2004-2018.



Source: ONS (2019) Office of National Statistics, Annual Survey of Hours and Earnings, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/>

included).⁴⁹ The index of median gross weekly earnings grew by 2.15 per cent in nominal terms in England in 2018, and by 3 per cent in London. Regional figures for the year to April 2018 indicate wide variations in earnings levels and growth. The highest rate of nominal growth among the English regions was the West Midlands (4.25%), whilst the lowest was in the North East (0.5%).⁵⁰

Taking a longer view, in real terms median annual earnings remain 0.6 per cent below the level of 2004 and 2.8 per cent below the level of 2010 (Figure 2.1). Over the longer period since 2004 only older workers, primarily those over 50, saw marked increases in earnings, while younger workers 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.

There has been some easing on public expenditure as a result of the improvement in the Office for Budgetary Responsibility's borrowing forecasts between the March and November budgets. This allowed the Chancellor to transform a real terms £7.6 billion cut in expenditure into a £18.9 billion boost to it over the period 2018/19 and 2022/23.⁵¹ The main beneficiary of this fiscal loosening will be the NHS, although funds have been made available for Universal Credit (UC) (see Section 3.3), and another rise in the personal allowance for income tax. Outside the protected areas (NHS,

46 Office for National Statistics (2019) *GDP First Quarterly Estimate, UK: October to December 2018*. Online: ONS. <https://www.ons.gov.uk/releases/gdpfirstquarterlyestimateukoctobertodecember2018>

47 Ibid.

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

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

50 Annual Survey of Hours and Earnings. Figures are for full-time gross weekly earnings.

51 Zaranko, B. (2018) *The end of austerity? Autumn Budget 2018: IFS Analysis*. Online: Institute for Fiscal Studies. <https://www.ifs.org.uk/publications/13657>

overseas aid and defence) expenditure is not planned to rise and will shrink both as a share of national income and on a per capita basis.⁵²

Any attempt to forecast economic trends is clouded in the uncertainty of Brexit. Even if the Prime Minister's Withdrawal Agreement were to be accepted, it deals only with an "implementation period" up to the end of 2020 (or 2022 if both parties agree) during which time the UK and European Union (EU) are meant to negotiate a trade deal. In such a situation, a continuation of the debates about the nature of Brexit can be expected with Brexit supporters divided between those who favour a relatively close relationship with the EU and those who prefer a much looser one to enhance the UK's ability to negotiate trade deals with non-EU countries.

The Government's long-term analysis of Brexit carries the warning that "[no] modelling can completely capture the complex ways in which the UK economy could be affected by exiting the EU, particularly given the unprecedented circumstances of the UK's departure."⁵³ But the direction of travel is clear. The EU has evolved from being a customs union towards a single market in which many non-tariff barriers to cross-border trading of both goods and services have been removed. Car manufacturing exemplifies the way in which the single market has facilitated the development of complex pan-EU supply chains dependent on just-in-time delivery of components, and the industry provides the most visible example of what is at risk.

52 Zaranko, B. (2018) *The end of austerity?* Autumn Budget 2018: IFS Analysis. Online: Institute for Fiscal Studies. <https://www.ifs.org.uk/publications/13657>.

53 HM Government (2018) *EU Exit. Long-term economic analysis*. November. Cm 9742, p. 3. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760484/28_November_EU_Exit_-_Long-term_economic_analysis__1_.pdf

54 Bank of England (2018) *EU withdrawal scenarios and monetary and financial stability*. Chart A. Online: Bank of England. <https://www.bankofengland.co.uk/report/2018/eu-withdrawal-scenarios-and-monetary-and-financial-stability>

55 Ibid.

56 The information in this section is taken from Cribb, J., Norris Keiller, A. and Waters, T. (2018) *Living standards, poverty and inequality in the UK: 2018*. London: The Institute for Fiscal Studies.

57 Bramley, B. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies*, 33:1, 96-116.

It is therefore unsurprising that (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. For example, the Bank of England "scenarios" for a soft Brexit suggest a lower level of Gross Domestic Product (GDP) in 2023 of between 1.25 per cent and 3.75 per cent compared to the May 2016 (pre-referendum) growth path. But if the UK left with no deal and no transition then GDP would be between 7.75 per cent and 10.5 per cent lower, i.e. there would be a severe recession.⁵⁴ Such an eventuality would be likely to be accompanied by a housing market crash with prices falling – perhaps by 30 per cent which is more than twice the drop experienced in the Global Financial Crisis (GFC).⁵⁵ It can be recalled that the Government acted very quickly to strengthen the safety net for home-owners in response to the GFC in order to prevent an upswing in mortgage arrears and possessions, but the safety net is now being replaced with a loan system (see further below).

Poverty⁵⁶

Relative poverty rates are important in establishing the context in which homelessness occurs. Broadly, we can expect higher levels of poverty to place more households at risk of homelessness,⁵⁷ especially if housing costs play a role.

Poverty is now generally accepted to be a "relative" concept, in other words a measure of relative living standards. The poverty threshold is set at 60

per cent of median income, after adjusting for household composition ("equivalisation"). The "count" refers to the numbers of individuals (not households) living in households whose equivalised incomes fall below 60 per cent of the median. Poverty can be measured before (BHC) or after (AHC) housing costs.

Analysis by the Institute for Fiscal Studies (IFS) suggests that relative poverty rates AHC⁵⁸ have remained fairly stable over the past 15 years – with around 22 per cent of people living in poverty in 2017/18.⁵⁹ However, it has risen amongst children and pensioners since 2011/12 whilst remaining below historic levels. In contrast it has fallen among working age adults with no children since 2011/12, but remains high by historic standards. In 2017/18 around 30 per cent of children lived in poverty, compared to 20 per cent of working age households and 16 per cent of pensioner households.⁶⁰

IFS analyses also show that there has been a marked divergence in the trends in real income (AHC) between age groups, reflecting both earnings trends referred to above, and tenure changes, discussed further below. Between 2008/09 and 2015/16, the 60-plus age groups saw a rise of 8 per cent, those aged 31-59 rose only 3 per cent, which those aged 22-30 saw a fall of 8 per cent (and in the period 2008/09 to 2012/13, a fall of 15%).⁶¹ Younger people are far more vulnerable to homelessness,⁶² and

58 Significantly, the Institute for Fiscal Studies in their 2018 review of *Living standards, poverty and inequality in the UK* (p.55) conclude that, given recent developments, it is preferable to look primarily at measures of poverty and based on income after housing costs (AHC).

59 DWP (2019) *Households Below Average Income: An analysis of the UK income distribution: 2004/95-2017/18*. London: DWP. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789997/households-below-average-income-1994-1995-2017-2018.pdf

60 Ibid.

61 Cribb, J., Hood, A., Joyce, R., Keiller, A. (2017) *Living Standards, Poverty and Inequality in the UK: 2017*. London: Institute for Fiscal Studies. <http://www.ifs.org.uk> p.19

62 Bramley, B. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies*, 33:1, 96-116.

63 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>

64 Cribb, J., Keiller, A. & Waters, T. (2018) *Living Standards, Poverty and Inequality in the UK, 2018*. London: IFS: <http://www.ifs.org.uk> p.52

indeed absolute destitution,⁶³ than older people in the UK, and these already disproportionate risks may well be reinforced by these trends in AHC income levels.

The IFS analysis is especially interesting in examining the way in which the gap between BHC and AHC poverty has widened from 4.4 percentage points in 2002/03 to 5.9 percentage points in 2016/17. It is wider among children: rising from 7.2 ppts in 2002/03 to 10.8 percentage points in 2016/17. The IFS found that whilst real housing costs rose among the population as a whole by 15 percentage points over the period, they rose by 47 per cent among children in the bottom income quintile and by 37 per cent among children in the second from bottom income quintile.⁶⁴

The dynamics behind these changes relate to two things. First tenure change: children in the bottom income quintile experienced the greatest propensity to move to private renting: in 2002/03 15 per cent of children in the bottom income quintile were private renters; by 2016/17 this had grown to 36 per cent. In contrast 4 per cent of children in the middle income quintile were private tenants in 2002/03; in 2016/17 this had grown to 16 per cent. Second, children in the bottom income quintile were most likely to live in the tenures where real housing costs rose the most: social rents rose by 34 per cent in real terms and private rents by 20 per cent; meanwhile owner occupiers' housing

costs fell by 14 per cent (due to lower interest rates). In absolute terms families with children paid the highest absolute housing costs in the private rented sector (PRS) (£135 per week), compared to £84 in the social rented sector and £55 in owner-occupied sector.

IFS analysis shows that, of the 47 per cent rise in real housing costs of the lowest quintile of families, about half (22%) was due to rises in real rents (of which two-thirds was represented by rising social rents) while two-fifths was due to change in tenure composition (more private renting). For the second quintile, the effects of rent levels were again about half of the overall 37 per cent rise, but housing tenure composition (the shift to private renting) was even bigger. For the poorest fifth of children living in social housing, housing costs not covered by Housing Benefit (HB) rose from £21 to £41 per week. For those within the poorest group living in private renting, the average weekly rent not covered by HB rose from £53 to £92 per week.⁶⁵

These tenure-related changes in the risks of housing-related poverty, notably for younger families with children, highlight another aspect of the emerging theme of deepening divisions between “insiders” (older owner occupiers) and “outsiders” (younger households without access to wealth or high-paying jobs).

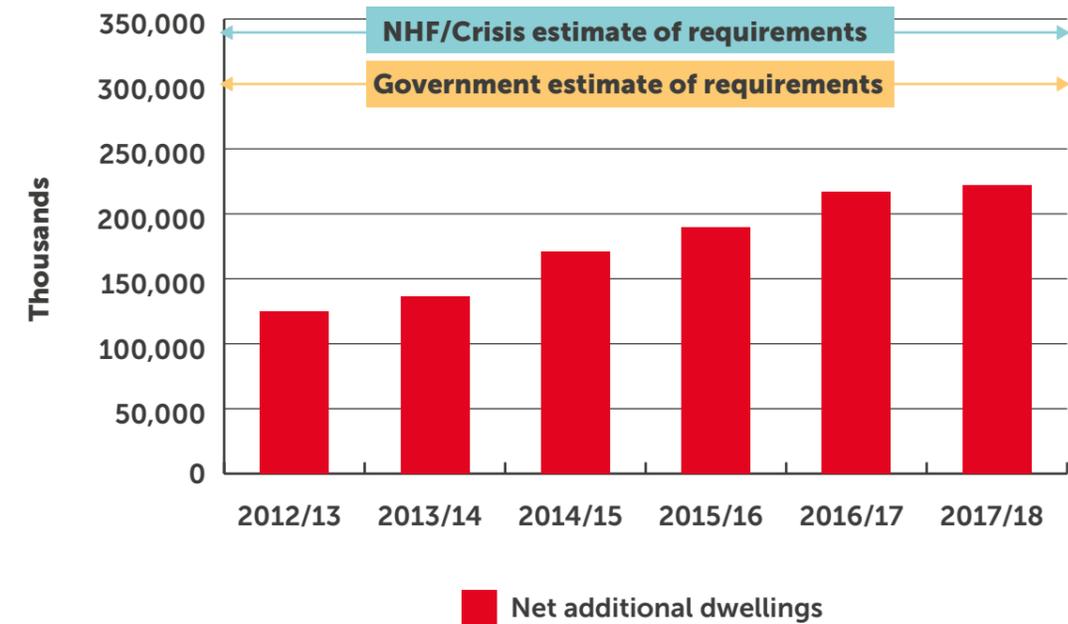
2.3 Housing demand and supply

Estimating how much additional housing required is the subject of some controversy. The Ministry of Housing, Communities and Local Government (MHCLG)’s household projections based on 2014 data estimated household growth at

210,000 per year for the period 2014-39. However, this figure fell dramatically when the Office for National Statistics (ONS) assumed responsibility for these statistics and introduced two methodological changes which resulted in a figure of 159,000 per year for the period up to 2041.⁶⁶ The changes included using a lower estimate of population growth. However, MHCLG believes that there are good reasons to be cautious about using household projections as the basis for estimating housing need. It is widely recognised, for example, that household formation is constrained by housing supply, and in any case the demand for housing is affected by many other factors including incomes, and forward projections of the numbers of households neglect any backlog of unmet need. Moreover, the Government has stood by its ambitious target of 300,000 additional units across all tenures per year.⁶⁷

Even the Government’s target figure undershoots the requirement for 340,000 units per year over 15 years published by Crisis and the National Housing Federation.⁶⁸ This figure takes into account a backlog of suppressed household formation equivalent to nearly 70,000 households per year over that period, and an overall level of existing housing need which is estimated to affect 4 million households. This figure includes a range of types of need including “concealed households”, households that are overcrowded, experiencing sub-standard or in appropriate housing, or who are experiencing serious affordability problems, but it also includes 240,000 households experiencing core or wider homelessness (see Chapter 4). The

Figure 2.2 Net additional dwellings, 2012/13 – 2017/18



Source: MHCLG (2018) Housing supply; net additional dwellings, England 2017-18, 15 Nov 2018

housing requirements estimate also allows for higher levels of demolition and vacancy reserve allowing for post-Grenfell activity and high levels of estate regeneration.

The balance of evidence suggests that the levels of unmet housing need far exceed the rates of housebuilding (and other net additions to the stock), despite a continued upward trajectory. New build completions have risen every year from 118,540 in 2012/13 to 195,290 in 2017/18.⁶⁹ Almost 30,000 (29,720) units were provided by conversions (of which 13,526 were provided through permitted development rights) and 8,050 were lost through demolition. Overall, the stock rose by 222,190 units in 2017/18 (see Figure 2.2).⁷⁰ This marked the highest level since the GFC

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. There were double-digit percentage increase in net supply in the four previous years, including a 15 per cent increase in 2016/17. Seasonally-adjusted figures for completions in the first two quarters of 2018/19 suggest modestly higher figures compared to the same quarters the previous year.⁷¹ However, there was a large drop in (Great Britain (GB)-wide) investment in new housing construction in December,⁷² which is likely to reflect uncertainty associated with Brexit.

Net additions remain a long way

65 Cribb, J., Keiler, A. & Waters, T. (2018) *Living Standards, Poverty and Inequality in the UK, 2018*, London, IFS: <http://www.ifs.org.uk> p.37 & 52.

66 Office for National Statistics (2018) *2016-based household projections in England*. Online: ONS. <https://www.ons.gov.uk/releases/2016basedhouseholdprojectionsinengland>

67 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.

68 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

69 Ministry of Housing, Communities and Local Government (2018) *Housing supply: net additional dwellings, England: 2017 to 2018*. Online: MHCLG. <https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2017-to-2018>

70 Ibid.

71 Ministry of Housing, Communities and Local Government (2019) *House building: new build dwellings, England: September Quarter 2018*. Online: MHCLG. <https://www.gov.uk/government/statistics/house-building-new-build-dwellings-england-july-to-september-2018>

72 Office for National Statistics (2019) *Construction output in Great Britain: December 2018*. Online: ONS. <https://www.ons.gov.uk/releases/constructionoutputingreatbritaindecember2018>

below the levels implied by needs assessments and the Government's targets, and it is doubtful that the Government target will be met during this parliament.

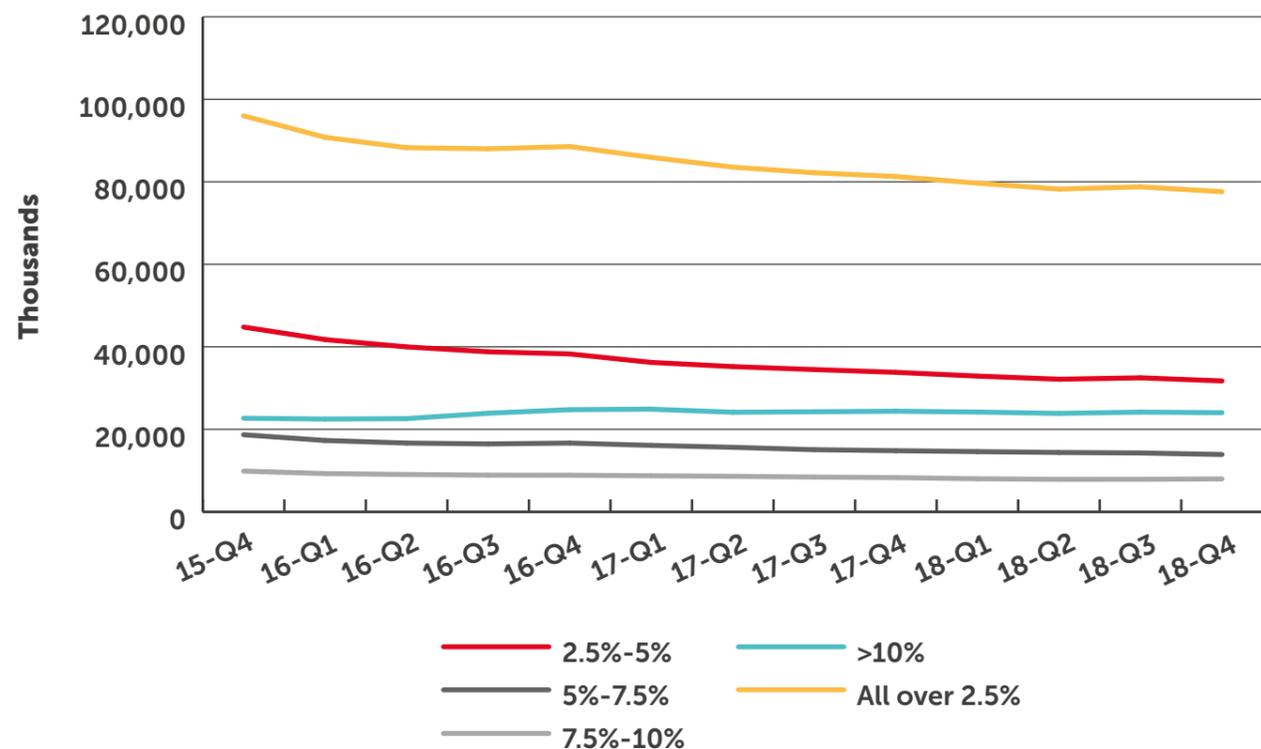
2.4 Access to home ownership

Access to home-ownership became increasingly difficult from the late 1990s as prices rose faster than earnings. The impact of the GFC has been quite complex. Access to credit became much more restrictive and is now subject to more onerous regulation which includes affordability and stress tests. Whilst the terms of mortgages have loosened since 2013, and the proportion of mortgages granted at more than 90 per cent of property value has risen, it remains more restrictive than before the GFC. There remain very few mortgages granted in excess of 95 per cent of property value and self-employed

people now account for a much smaller part of the mortgage market despite the increase in their numbers.

However, for those people who can access credit, it remains very cheap as a result of the Bank of England Monetary Policy Committee's policy of ultra-low interest rates. The uncertainty surrounding Brexit has limited the Monetary Policy Committee's ability to oversee a gradual increase in interest rates towards more normal levels. Consequently, there is a pronounced insider-outsider divide, with existing property owners and those people with access to equity for deposits being advantaged relative to others. This a profoundly important point with regard to homelessness: this Monitor series has consistently argued that frustrated entry into the housing market by "outsider" (i.e. newly forming

Figure 2.3 Homeowner mortgage arrears Q4 2015-Q4 2018 (percentage of balance outstanding)



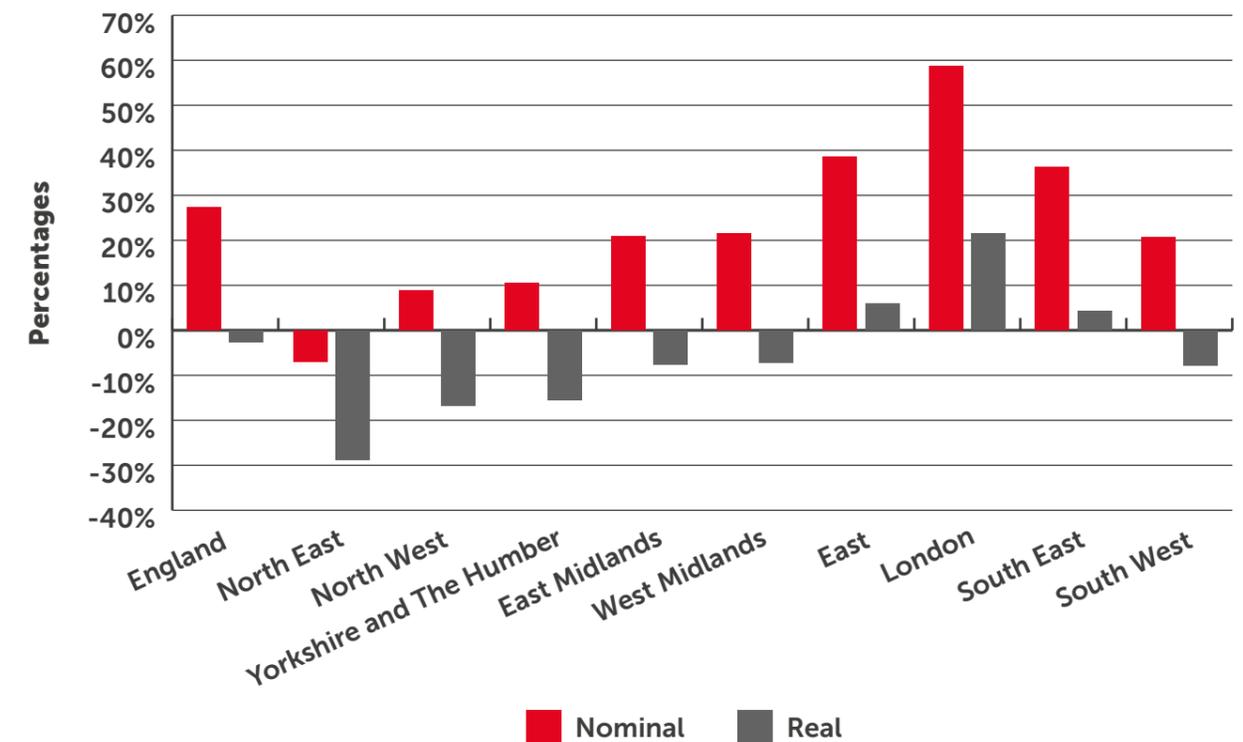
Source: UK Finance (2019) Mortgage Arrears and Possessions Update

or fragmenting households) is a key trigger of the phenomenon.⁷³ Further related evidence on concealed and sharing households and household formation is presented in Chapter 4.

The relatively comfortable position of existing owner-occupiers is illustrated by the low and declining levels of mortgage arrears since 2015 (see Figure 2.3). The 77,610 households with mortgage arrears above 2.5 per cent of their outstanding balance represent less than one per cent of the nine million outstanding homeowner mortgages. There has been a rise (from a low base) in the numbers of people with mortgages more than 10 per cent in arrears, but possessions

remain at low levels (4,580 in 2018, down from 4,840 the previous year⁷⁴) relative to the size of the market. This could change if market conditions deteriorate, for example if interest rates rise in response to a chaotic Brexit leading to the combination of arrears and negative equity that make borrowers more vulnerable to repossession. Further, the replacement of Support for Mortgage Interest with Loans for Mortgage Interest remains untested in a downturn.⁷⁵ Nonetheless, for the moment at least, the proportion of statutory homelessness acceptances attributable to mortgage repossessions remains very low (see Chapter 4).

Figure 2.4 Percentage changes in nominal and real house prices, September 2007 – December 2018



Source: ONS mix adjusted house price index; CPI [Consumer Price Index]

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

74 UK Finance (2019) *Mortgage Arrears and Possessions Update, 14 February*. Online: UK Finance. <https://www.ukfinance.org.uk/data-and-research/data/mortgages/arrears-and-possessions>

75 Blenkinsopp, J. and Stephens, M. (2019) 'Help with Housing Costs' in Stephens, M., Perry, J, Williams, P. and Young, G. (eds) *UK Housing Review 2019*. Coventry: CIH

In cash (“nominal”) terms house prices in England were 27 per cent higher at the end of 2018 compared to the previous peak in September 2007 when the credit crunch began to force prices downwards. In cash terms London prices were almost 60 per cent above their 2007 levels at the end of 2018, and in the East and South East they were more than one-third higher. By the end of 2018 cash prices had risen above the 2007 peak in all English regions other than in North East where they remained almost 7 per cent below the September 2007 level (see Figure 2.4).

However, the picture changes somewhat if inflation is taken into account. Real house prices in England were actually 2.7 per cent *below* the September 2007 peak at the end of 2018. At the end of 2018 they were higher in real terms in only three of the English regions: London (21%), East (6%) and South East (4%). In the other six regions, real house prices have fallen, and in the three northern regions these falls have been substantial. In the North East real house prices are almost 30 per cent below the pre GFC peak (Figure 2.4).

In 2018, house prices in England as a whole rose in cash terms by 2.3 per cent, but fell by 0.7 per cent in real terms.⁷⁶ Prices in the capital ended the year 0.6 per cent lower in cash terms, and by 3.5 per cent in real terms.⁷⁷

So why hasn't access to home-ownership improved dramatically? The other side to the “affordability” coin is the context of subdued earnings. House prices were actually higher in relation to median earnings⁷⁸ at the end of 2018 (by a ratio of 10.3:1) compared to 2007 (9.7:1) (Figure 2.5).

⁷⁶ Calculated from ONS Mix Adjusted house price index.

⁷⁷ Ibid.

⁷⁸ We have used the measure of weekly gross pay including part-time earnings rather than full-time earnings to better reflect the reality of the labour market. The weekly figure has been grossed up to an annual one. The source is the Annual Survey of Household Earnings (ASHE), Table 5.1a

⁷⁹ Bank of England Mortgage Lenders and Administrators Statistics: Summary Table 2

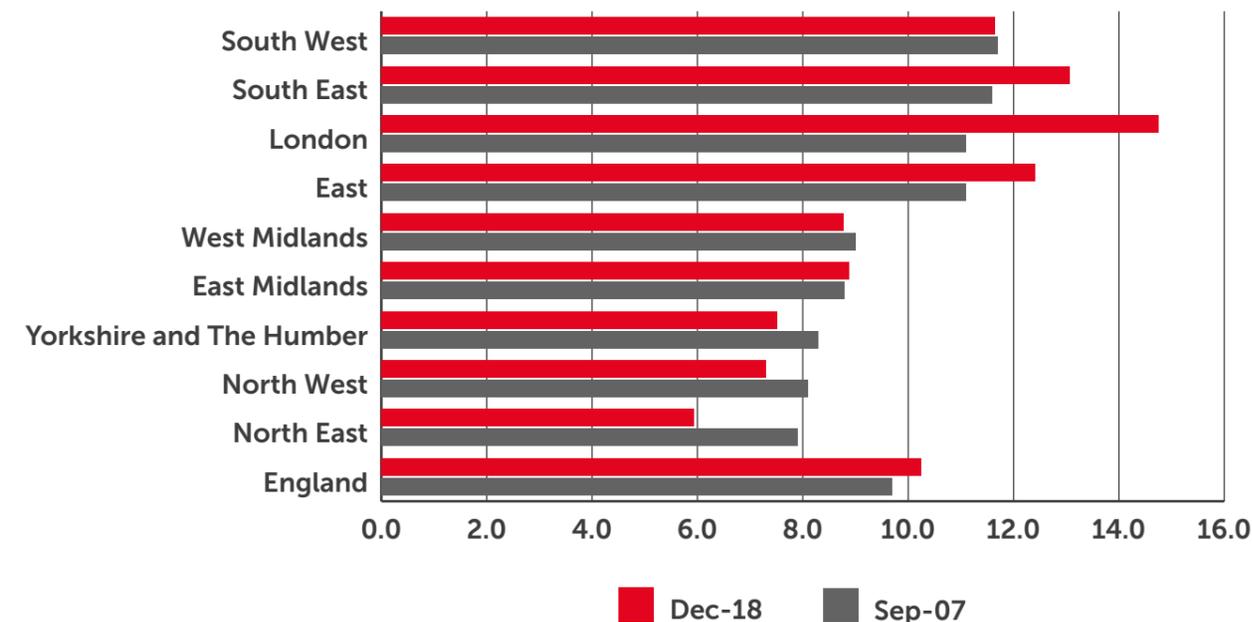
⁸⁰ See Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis. Figure 3.7

Only in the North East has the house price to earnings ratio fallen below 6 (and even then only just). House prices are at least eight times higher than earnings in six regions and over ten times higher in four of them. In London house prices were almost 15 times higher than median earnings at the end of 2018. Mortgage availability is also tighter than before the crisis. During the crisis new mortgages at loan to value ratios of 90-95 per cent fell as low as 1 per cent of the total, and have since recovered to 4 per cent of the total.⁷⁹ However, this is still half the pre-crisis level. Further, whilst more than 5 per cent of new mortgages were at loan to value ratios in excess of 95 per cent in 2007, in 2018 they represented only 0.2 per cent of the total.

Moreover, we are comparing house prices with their pre-GFC peak, when the ability to access owner-occupied housing had already been eroded by rising prices in relation to incomes. The accessibility to ownership that was lost during the long period of growth from the mid-1990s, and when (statutory) homelessness levels climbed so sharply,⁸⁰ has not been recaptured. Although lower interest rates have reduced the cost of servicing a mortgage, this is largely irrelevant to households who cannot secure a mortgage of sufficient size to purchase a house in the first place.

It is in this context that the Government has sought to improve access to home-ownership. The tax changes brought in by George Osborne, the then Chancellor of the Exchequer, appear to have discouraged buy-to-let investment and this has been reinforced by the supplementary rate of stamp duty

Figure 2.5 House prices as a multiple of earnings, September 2007 and December 2018



Earnings = median gross household earnings

Source: ONS mix adjusted house price index; Annual Survey of Household Earnings, Table 5

for buy-to-let investors and the exemptions available to most first-time buyers. Certainly, buy-to-let mortgages have fallen both in value (by 3%) and as a proportion of gross lending (by 3.5 percentage points) between 2015 and 2018.⁸¹

The Government is investing huge amounts into boosting owner-occupation through the Help to Buy scheme. From the scheme's launch in 2013 to March 2018, almost 170,000 properties had been purchased through it.⁸² Through the scheme's life, first time buyers make up around 80 per cent of those assisted. These outnumbered the number of units of low-cost home ownership provided

over a similar period by almost 3:1 (58,531).⁸³ In 2017/18 39,112 first-time buyers were assisted by equity loans with a value of around £2.5 billion.

The income profile of first-time buyers assisted under Help to Buy up to 31 March 2018 indicates that it predominantly supports middle to upper income groups, and very few people likely to vulnerable to homelessness. For example, only 2 per cent of beneficiaries had household incomes below £20,000 and only 15 per cent between £20,000 and £30,000.⁸⁴ In contrast, almost one-quarter of beneficiaries had incomes in excess of £60,000 and nine per cent of £80,000.⁸⁵

⁸¹ Calculated from Bank of England Mortgage Lenders and Administrators Statistics: Summary Table 1

⁸² Ministry of Housing, Communities and Local Government (2018) *Help to Buy (equity loan scheme) and Help to Buy: NewBuy statistics: April 2013 to 31 March 2018*. Online: MHCLG.

⁸³ Ministry of Housing, Communities and Local Government (2018) *Live tables on affordable housing supply*. Online: MHCLG. Table 1000 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

⁸⁴ Ministry of Housing, Communities and Local Government (2018) *Help to Buy (equity loan scheme) and Help to Buy: NewBuy statistics: April 2013 to 31 March 2018*. Online: MHCLG. Table 7. <https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-and-help-to-buy-newbuy-statistics-april-2013-to-31-march-2018>

⁸⁵ Ibid.

The most recent English Housing Survey (EHS) records a slight increase in the level of mortgaged home-ownership of 329,000 households – rising from 28.4 per cent of households in 2016/17 to 29.6 per cent in 2017/18.⁸⁶ This is the first rise in mortgaged owner-occupation since 2009/2010, and quite a large one for a single year. Interestingly, it is the age cohort 35-44 which saw a strong (4.1%) increase in owner-occupation, whilst the rate among 25-34 year olds rose only marginally (0.3%).⁸⁷ Household formation among these lower age groups remains low (see Chapter 4). Some 13 per cent of first time buyers in 2017/18 were in the bottom two income quintiles whereas 64 per cent were in the higher two income quintiles.⁸⁸

2.5 Access to private rented housing

The proportion of households which rented privately fell from a peak of 20.3 per cent of households in 2016/17 to 19.5 per cent in 2017/18 (162,000 households). This is the first recorded fall for almost two decades.⁸⁹

Estimating private rents is particularly difficult given the diversity of the sector, and the relatively high level of churn within it. For example, rents are more likely to be increased when a new tenancy begins, so there is a divide between rental increases experienced by new or longer-term tenants. According to the EHS, and adjusting for inflation, private rents rose by 0.3 per cent across the country as a whole in 2017/18, having risen by 3.1 per cent the year before (Figure 2.6). The Index of Private Housing Rental Prices, which is collected in a different way using administrative data, suggests that in real terms rents fell in 2017 by 0.6 per cent, having risen by 2.1 per cent the year before. They fell

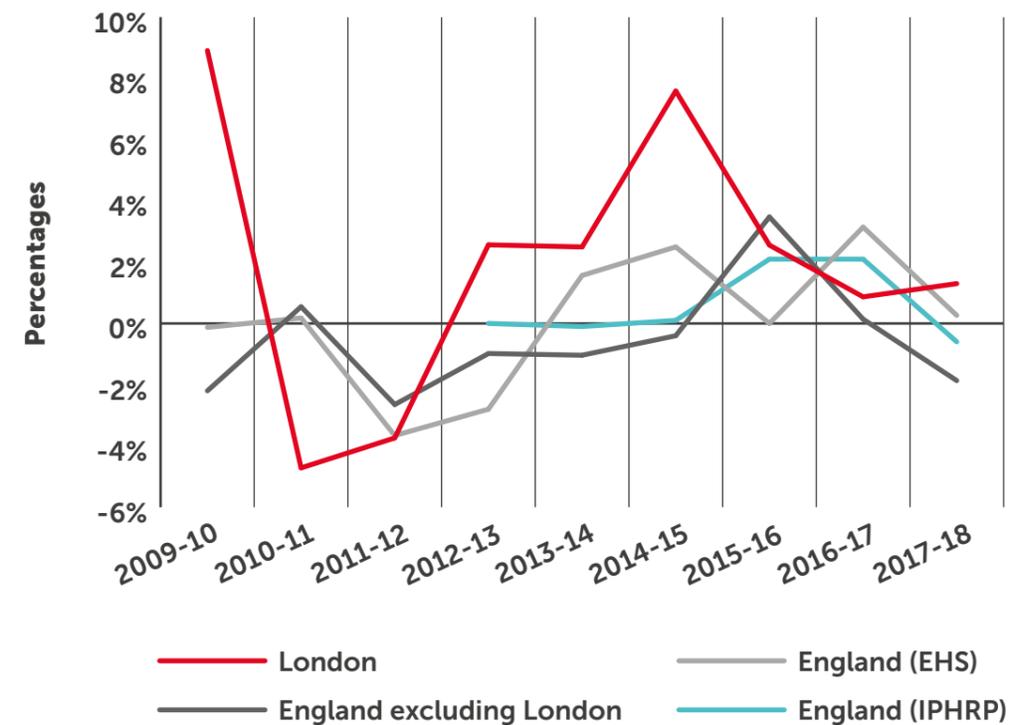
by 1.4 per cent in the calendar year 2018 (not shown in chart). The EHS suggests that real private rents fell outside London, but rose by 1.3 per cent in the capital in 2017/18.

A general picture of affordability can be gained by comparing incomes with rents. The EHS report provides figures on the proportion of gross incomes that are taken in rent, before and after assistance is provided through Local Housing Allowance (LHA). These suggest that private rents have fallen as a proportion of gross incomes in the last three years: from 44 per cent of household incomes in 2011/12, to 36.8 per cent in 2017/18 (Figure 2.6). When we add LHA to income, the rent burden fell to 32.9 per cent in 2017/18 compared to a peak of 36.4 per cent in 2014/15.

However, LHA now plays a smaller role in improving affordability in the tenure as a whole. In 2011/12, LHA reduced the proportion of income taken in rent by almost 9 percentage points. By 2017/18 this fell to 4 percentage points (see Figure 2.7). This is likely to be attributable in part to the limits to rents eligible for HB introduced since 2010, but also to the smaller proportions of private tenants who are in receipt of HB. The latter is linked largely to the economic cycle, but limits on LHA support, which may exclude some low-income tenants from the sector altogether, especially in London, may also play a role (see below).

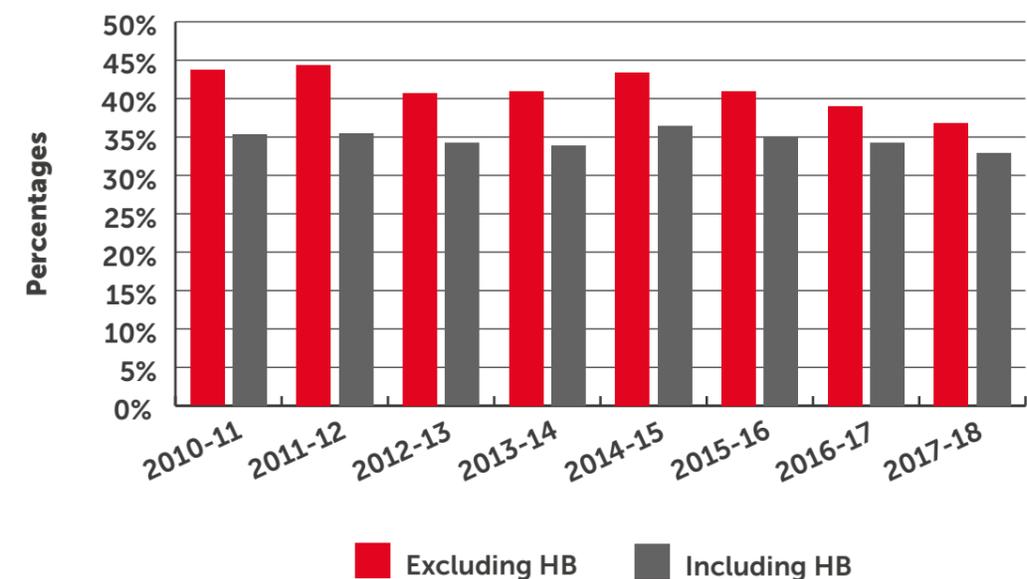
Around one-quarter of private tenants received LHA in the years 2011/12 to 2014/15, since when the proportion has fallen to one fifth (19.6% in 2017/18) – bringing it back to the proportion last seen in 2008/09.⁹⁰ In terms of numbers, around 889,000 private renting households received

Figure 2.6 Annual percentage changes in real private rents, 2009/10-2017/18



Source: EHS, Annex Table 1.12 (median) deflated by CPI for nearest calendar year; IPHRO, UK: January 2019, March figures deflated by CPI for calendar year.

Figure 2.7 Private rents as a percentage of household incomes



Source: EHS, Annex Table 1.13

86 English Housing Survey 2017/18, Annex Table 1.1

87 Ibid., Annex, Underlying data for Figure 1.4

88 Ibid., Annex Table 1.8

89 Ibid., Annex Table 1.1

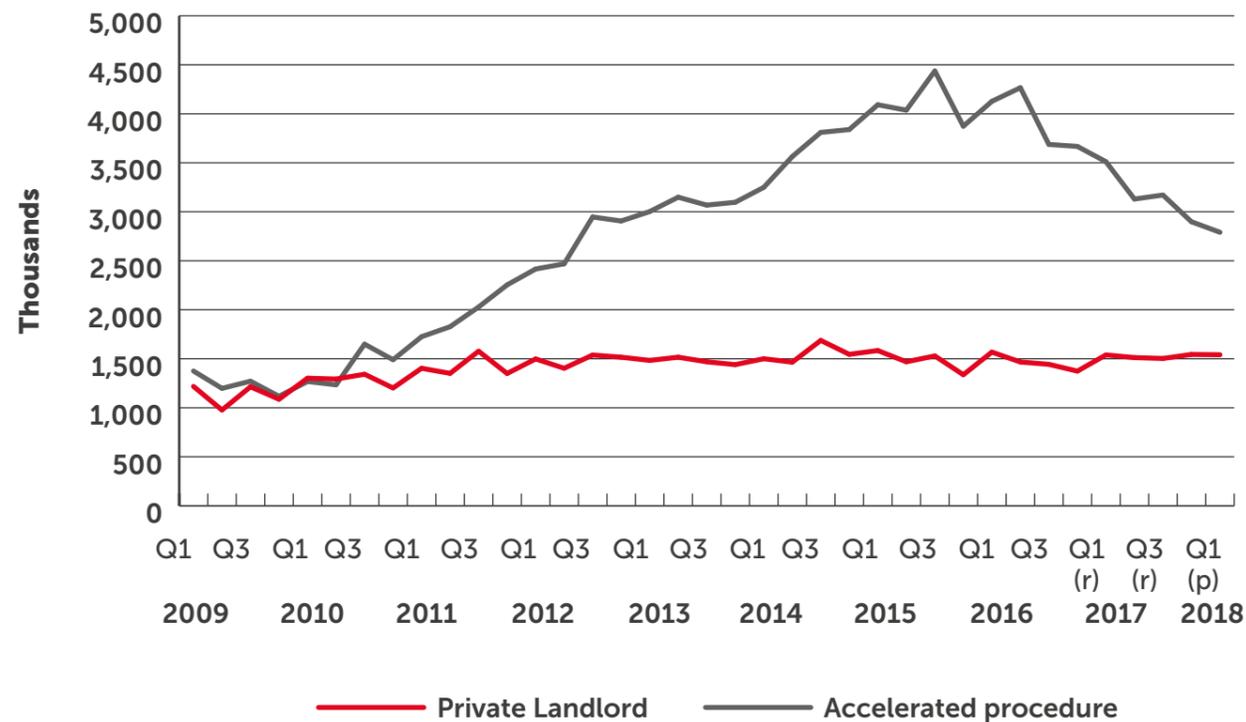
90 Ibid., Annex Table 1.14

LHA in 2017/18, down from the peak of 1.1 million in 2014/15.⁹¹

Although rent rises may have eased and affordability pressures reduced somewhat in the PRS as a whole, it is important to note that the longer-term growth in the tenure has exposed a greater proportion of the population to high housing costs (see Section 2.3 above). Between 2002/03 and 2016/17, people in the bottom income quintile experienced a 47 per cent rise in mean housing costs.⁹² 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.⁹³

Figure 2.8 shows that private landlord possessions under the standard procedure have remained stable since 2011 despite the increase in the size of the tenure. However, possessions made under accelerated procedures available for the Assured Shorthold Tenancy (ASTs) that dominate the sector rose very quickly after 2009 to peak in 2015, before falling back since then and in the most recent quarter for which statistics are available. Some of the claims under accelerated procedure could have been made by housing associations which use ASTs, but it seems very unlikely that they account for many of them. It is also notable that some tenants leave "voluntarily" on expiry of a S21 notice, and they will not be recorded in these statistics.

Figure 2.8 Private Landlord Possessions



Source: ONS (2018) Mortgage and Landlord Possession Statistics Quarterly, Table 8
r: revised; p: provisional

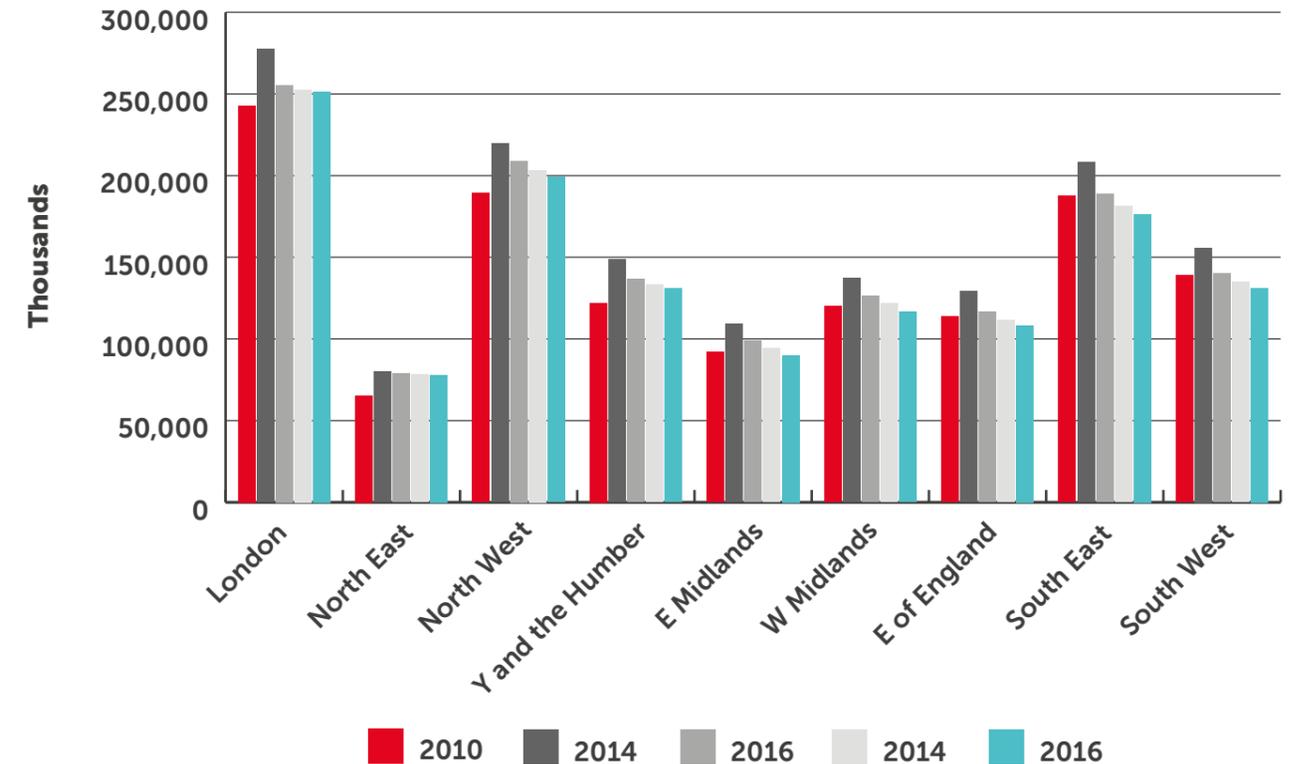
91 English Housing Survey 2017/18.
92 Cribb, J, Norris Keiler, A and Waters, T (2018) *Living standards poverty and inequality in the UK: 2018*, IFS <https://www.ifs.org.uk/publications/13075>
93 Ibid.

As discussed in Chapter 4, while the loss of ASTs remains the most significant trigger for statutory homelessness applications in England, the extraordinarily sharp upward trend in this cause of homelessness has been reversed in the most recent period. One statutory sector key informant explained that "They're all gone", by which she meant that so many low-income private tenants in London had already lost their hold on the PRS as a result of the combination of rising rents and the LHA freeze that there were simply fewer people in a position to be made homeless via this route. Similar comments about the "clearing out" of low-income households from Inner London in particular have been made by LAs

surveyed in earlier editions of the Monitor.⁹⁴

There are also some indications in the available statistics that these perceptions of changes in the role of different tenures in housing low income households, particularly in London, have substance. Nationally, the LFS suggests a fall of 1 percentage point in the overall share of private renting tenure, with a similar fall in social renting, between 2016 and 2018. The absolute size of the PRS appeared to fall 3 per cent overall, but by 7 per cent in London, 6 per cent in West Midlands and 11 per cent in Yorkshire & Humber with less or no change in other regions.

Figure 2.9 LHA/UC claims for housing assistance in the private rented sector (number)



Note: (a) March each year; (b) UC statistics only go back to August 2015 therefore LHA claims only from March 2010-March 2016
Source: StatXplore

94 Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

Administrative data suggests that LHA claims (and subsequently claims of private tenants assisted through the housing cost element in UC) rose between 2010 and 2014 and fell back thereafter (Figure 2.9). 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 the more southern regions of England. This pattern is consistent with the improved economy continuing to “pull” some PRS tenants out of reliance on benefit, especially in the more prosperous South, but also with the LHA caps and freezes “pushing” some low-income households out of the PRS more abruptly and sooner in the capital than elsewhere. The timing of this contraction in the number of PRS tenants in receipt of help with housing costs is also broadly in step with the reduction in AST evictions since 2015 noted above, and also with the more recent reversal in the upward trajectory in AST-related homelessness acceptances (see Chapter 4).

2.6 Access to social and affordable rented housing

The supply of new affordable rental housing has recovered from the nadir of 2015/16 when 25,048 units were built – the lowest figures since 1991/92 (Figure 2.10). The number of social rented units built failed to reach 6,000 in 2016/17, the trough year for that part of the affordable housing programme, but recovered slightly in 2017/18. Overall, in 2017/18 34,672 units of affordable rental housing were added to the stock, which included 27,185 units of affordable rent housing, and 6,463 units of social rented housing.

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

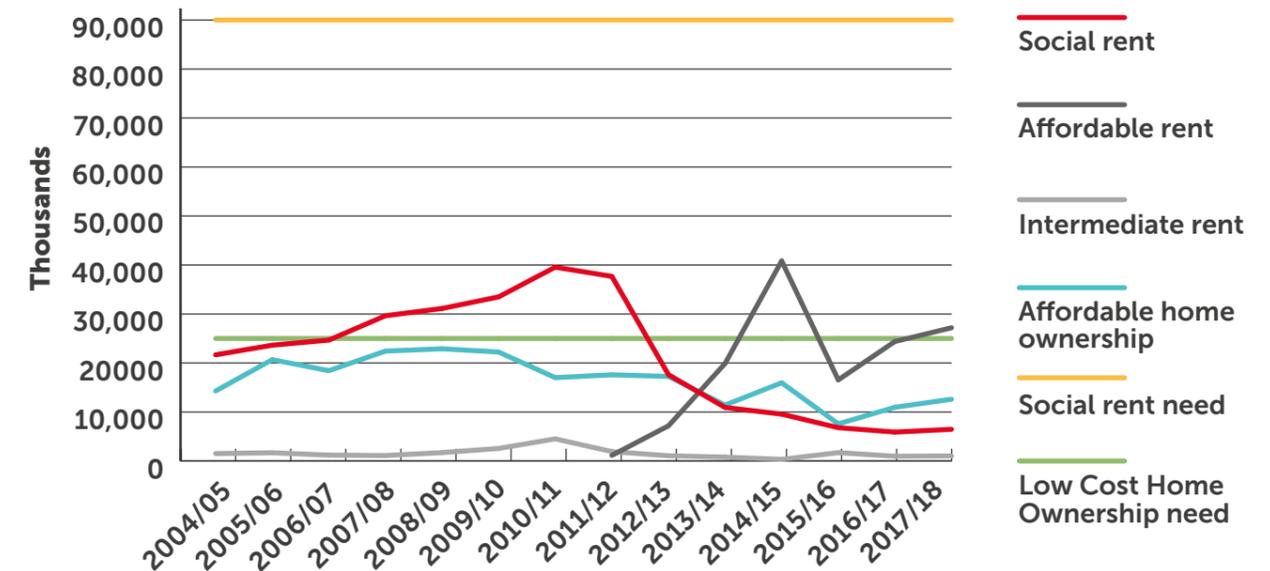
marginalised social rented housing in its investment plans, and instead shifted the emphasis towards home-ownership. Since then the Government has reallocated funds towards rental, including social rental, housing, and a further £2 billion was added to the overall programme in 2018. The borrowing cap on English LA 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 (as set out in Figure 2.10 below), which suggest that 90,000 units of social rented housing (as well as and a further 28,000 units of low-cost home ownership and 32,000 of intermediate rent) are needed, implying a very considerable scaling up of the affordable housing programme.

There are other estimates of the requirement for additional social housing, for example that presented by Shelter’s Affordable Housing Commission.⁹⁵ This proposes building 155,000 social housing units per year over the 20 year period 2020-40, making 3.1 million in all. This is derived from an estimate of a current backlog of need, using different categories to the above study, but does not entail the use of any explicit forward projection or forecast.

It should be noted that, in contrast to Scotland and now Wales, right to buy continues in England, and under the Government’s policy of “reinvigorating” it sales have risen from less than 4,000 units a year to between 16,000 and 18,000.⁹⁶ In 2016/17 right to buy sales offset almost 60 per cent of the rental

Figure 2.10 Affordable Housing supply and need estimates



Source: MHCLG Affordable Housing Statistics, Table 1000; Bramley, G (2018) *Housing supply requirements across GB: for low-income households and homeless people*, Crisis and National Housing Federation

new build (social and affordable rents combined). In 2017/18 sales were equivalent of 46% of rental new build.⁹⁷

Accessing social rented housing continues 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 (Figure 2.11). 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, increased slightly over the past few years. Nonetheless this proportion (of a declining absolute number) of social lets still remains somewhat lower than in previous years. A decade ago the proportion was around 26 per cent.⁹⁸ This means

that some 18,000 fewer social lets were made to homeless households in 2017/18 than in 2007/8, despite statutory homelessness having risen substantially over that period. While as noted above LAs are very critical of housing association practices with regard to allocations to homeless households, disaggregated data indicates that there are some difficult questions for LAs 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 HA share has remained relatively steady at 23 per cent.

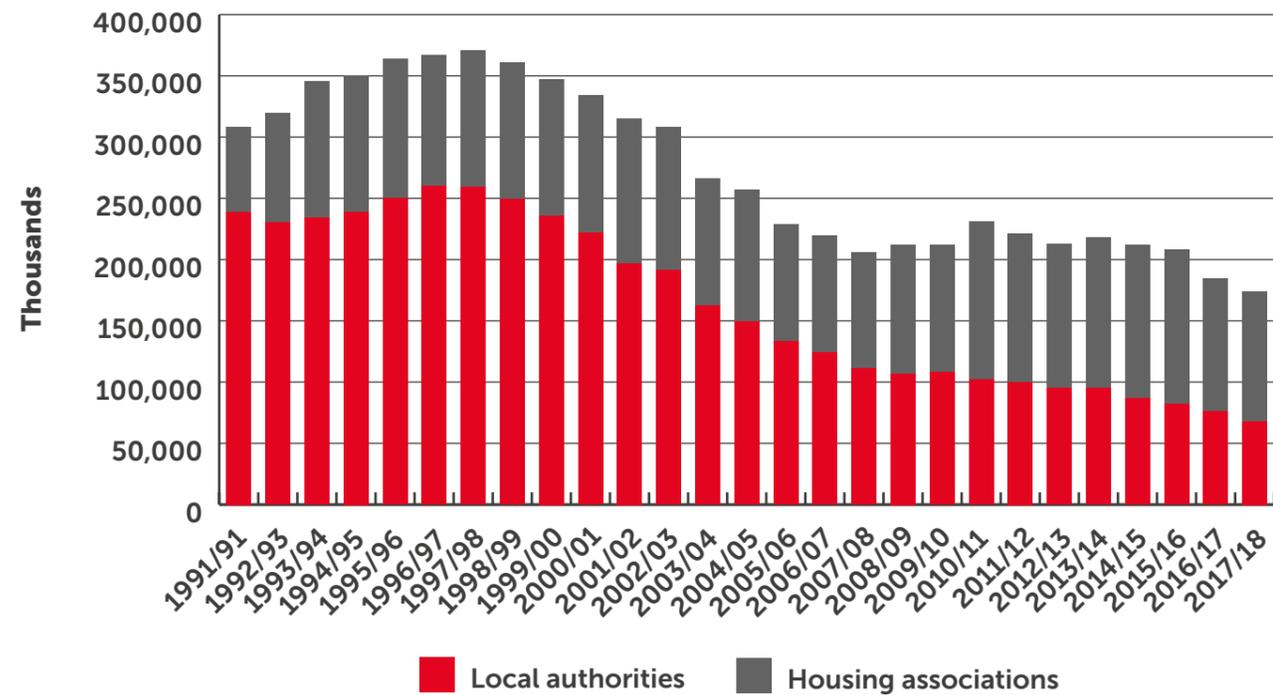
95 Shelter (2018) *A Vision for Social Housing*. Online: Shelter. https://england.shelter.org.uk/support_us/campaigns/a_vision_for_social_housing

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

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

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

Figure 2.11 Social sector lettings to new tenants (thousands)



Source: UK Housing Review 2019, Table 102

It is therefore unsurprising that in this year's LA survey, a major theme was difficulties LAs faced in accessing social housing tenancies for their homeless clients. In fact, as perceived by the vast majority of LA respondents, social housing provision is simply insufficient to meet homelessness needs (see Table 0.11 in Appendix 2). Strong concerns on this topic were most widely held in London and the South, where 77 per cent and 69 per cent of respondents respectively disagreed with the statement that

"There is enough social housing in my area to allow both people at risk of homelessness and other households who need it to have reasonable access"

Notably, however, a much lower proportion of Northern authority respondents (30%) strongly disagreed with this statement.

Respondent comments supportive of the contention that social housing was generally in short supply were perhaps best summed up by this one:

"Simple truth is we need more social housing and the private sector needs to be regulated otherwise there will be even more rough sleepers, deprivation, increase in mental health, youth crime etc. These are all symptoms of selling off nearly two million social tenancies under the RTB [right to buy], not reinvesting the money, not building real affordable homes for those on benefits and for those who will never be able to earn enough to choose where to live."

(LA respondent, London, 2018)

Many respondents qualified their response by noting that it was the local profile of social housing as much as its insufficient quantum that was problematic:

"There is huge demand from single people, but completely insufficient general needs single person accommodation."
(LA respondent, North, 2018)

"...vacant properties are often three and four bedroom flats, which families do not wish to live in and single people/couples cannot afford."
(LA respondent, the North, 2018)

Other respondents commented that problems faced in securing access to social tenancies were often a product of social landlords' allocations policies rather than absolute shortage of accommodation. These concerns that were strongly corroborated by responses to follow-up questions as summarised in Figure 2.12 and, especially, Figure 2.13 below.

As can be seen, only 44 per cent of LA respondents believed that social

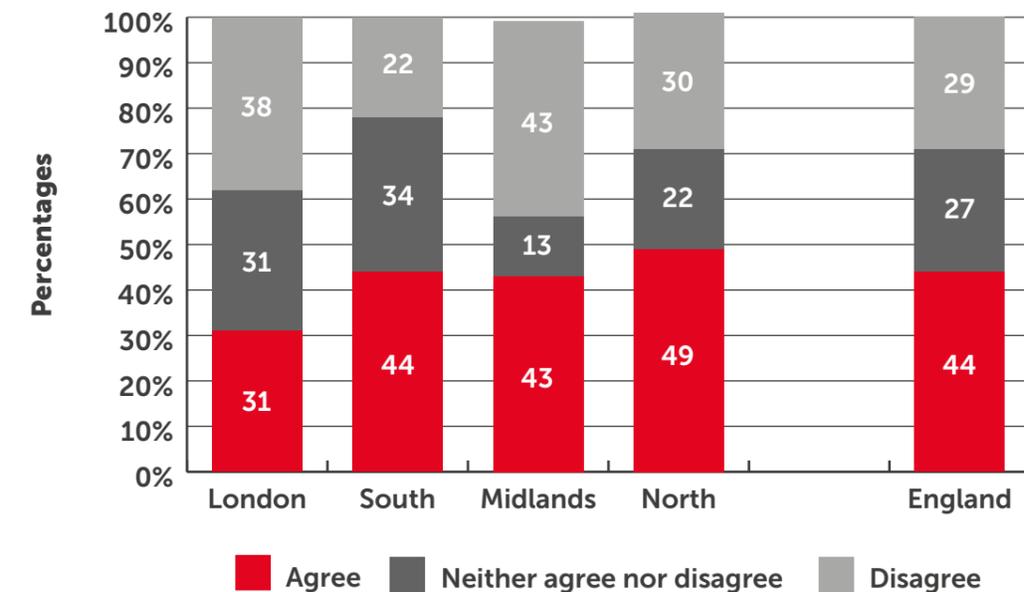
landlords were doing all they could to prevent and relieve homelessness. Disagreement was the predominant reaction to this statement among London respondents, and in the Midlands the balance of views was even.

Elaborations detailed by respondents in agreement with the proposition referenced in Figure 2.12 included statements such as:

"...social landlords...have been flexible in their approach to offering properties to households with significant debt and are... making properties available for the entrenched rough sleepers..."
(LA respondent, the North, 2018)

"All social landlords in this area put at least 75 per cent of their allocations through our system."
(LA respondent, the Midlands, 2018)

Figure 2.12 "Through their allocations policies and practices, social landlords in my area (housing associations and, where applicable, LAs) are making every effort to assist in preventing and relieving homelessness" (Respondent reactions to statement)



N= London 13; South 77; Midlands 37; North 30; England 157
Please note due to rounding some columns do not add up to 100

On the other hand, however, many taking the opposite view cited concerns about housing associations' allocations policies and practices in particular – concerns that were naturally of particular significance for post-transfer authorities (because here there was no council housing option):

"[housing associations] are generally looking to squeeze out higher risk and non- economically active households."
(LA respondent, the North, 2018)

"In recent years RSLs have moved increasingly towards a preference for working households and raise the bar higher every year for who they will accept as a tenant."
(LA respondent, the South, 2018)

"Housing associations are becoming a lot tougher on who they will take."
(LA respondent, the South, 2018)

"Housing associations in [London borough] no longer meet the needs of homeless customers. [They] are now aimed at a profit motive rather than the social values. The council is required to re-house 100 per cent of homeless customers."
(LA respondent, London, 2018).

Moreover, as shown in Figure 2.13, both nationally and in all regions, the balance of respondents agreed with the proposition that recent changes in housing association allocations policies have made it harder to prevent and relieve homelessness. Nearly half of participants (47%) took this view while less than one in five (16%) disagreed. Interestingly, agreement with the statement was strongest in the Midlands and weakest in London.

At the same time, relatively few respondents believed that changes

in LA eligibility rules or allocations policies had impeded efforts to prevent or resolve homelessness. As shown in Figure 2.14, only 16 per cent took this view. However, in interpreting these results the possibility of institutional defensiveness should be noted, and it should also be acknowledged that "LA allocations policy" may have been considered by survey respondents as an irrelevant concept in the post-stock-transfer areas which account for about half of English LAs.

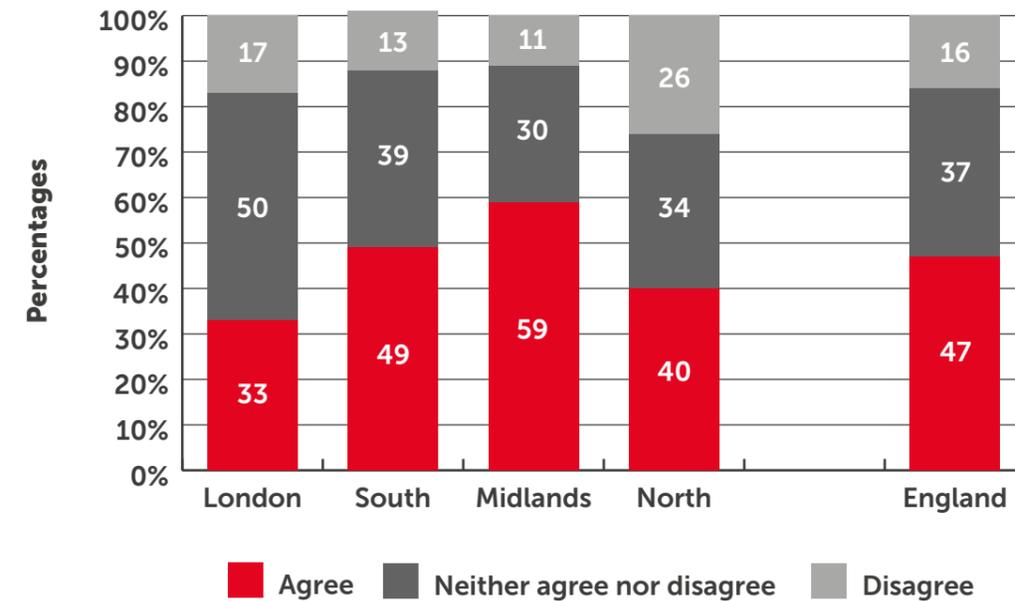
In elaborating their answers summarised in Figure 2.14, a number of respondents in agreement with the proposition referred to local policy changes on local connection. In one authority, for example, this had been encapsulated in the phrase "local homes for local people". However, as the respondent point out: "...this only works if every LA plays the game." Other concerns expressed on the introduction of more restrictive local connection policies included:

"The Council's Lettings Policy now states that applicants have to have resided in our area for a continuous period of 5 years before they are allowed onto the register. This has excluded large numbers of people from being allowed to register and severely restricted their options."
(LA respondent, the Midlands, 2018)

"We are able to make exceptions to our Policy but eligibility criteria such as local connection is making a significant number of homelessness applicants ineligible."⁹⁹
(LA respondent, the South, 2018)

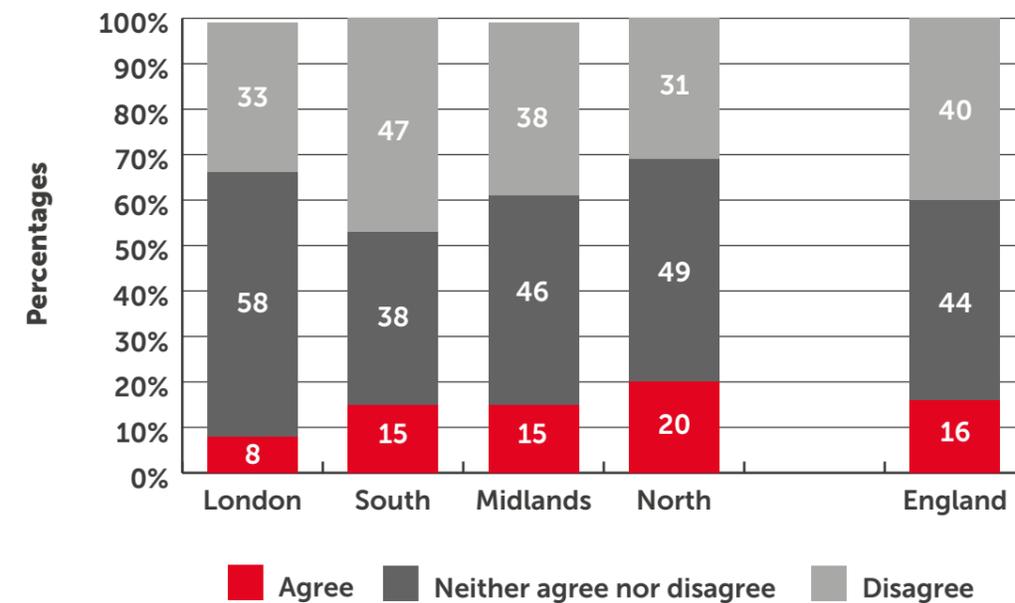
Consistent with the above findings, most LA respondents believed that affordability or "financial capability" checks have been making

Figure 2.13 "Changes in allocation policies applied by housing associations in my area over the past few years have made it more difficult to prevent and relieve homelessness" (Respondent reactions to statement)



N= London 12; South 70; Midlands 27; North 35; England 144
Please note due to rounding some columns do not add up to 100

Figure 2.14 "Post-2011 changes in eligibility rules and/or allocation policies applied by my local authority have made it more difficult to prevent and relieve homelessness" (Respondent reactions to statement)



N= London 12; South 73; Midlands 26; North 35; England 146
Please note due to rounding some columns do not add up to 100

⁹⁹ It should be noted that LA lettings policies which exclude statutorily homeless households from their housing lists are of dubious legality. See R (Jakimaviciute) v Hammersmith & Fulham LBC [2014] EWCA Civ 1438, [2015] HLR 5, CA; and R (Alemi) v Westminster City Council [2015] EWHC 1765, [2015] PTRS 1339, Admin Ct.

it increasingly difficult to place homeless households in to social housing. Almost two thirds of survey participants (64%) took this view – see Figure 2.15. Interestingly, this was most commonly reported as a problem in the North, and least commonly in London, which may reflect a more significant departure from the previous norm in areas of the country where traditionally there was easier access to social housing.

Concerns of respondents agreeing with the statement cited in Figure 2.15 included those expressing misgivings about housing association practices such as requiring rent in advance and/or excluding benefit-reliant households:

“There have been cases where benefit- capped clients have failed such [affordability] checks, meaning they are being considered as not

being able to afford the cheapest forms of housing available.”
(LA respondent, the South, 2018)

“Housing associations are asking for one month’s deposit, which is preposterous for those on a low fixed income.”
(LA respondent, the Midlands, 2018)

“This has not been an issue in the past but more recently we have seen nominations refused on the grounds of affordability. This is mainly in respect of benefit dependent families that have subjected to the Benefit Cap”
(LA respondent, the South, 2018)

“It’s becoming more prevalent and people are losing offers of housing as a result, even though they may have means to pay via benefits.”
(LA respondent, the North, 2018)

Other respondents, while also expressing worries on this score, saw the situation in slightly less black and white terms, and sympathised to at least some extent with the housing associations’ position:

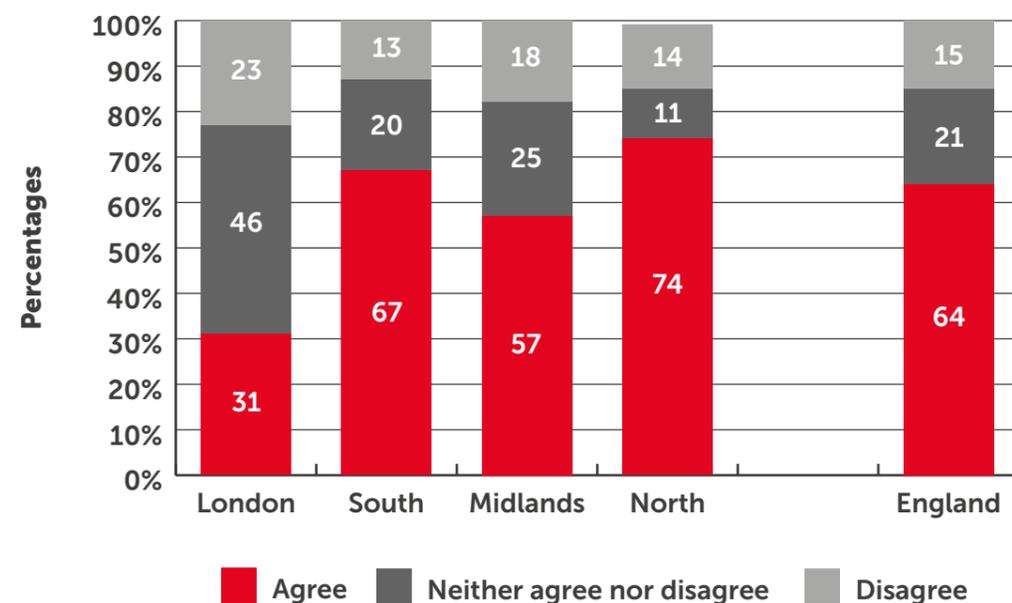
“Financial capability checks are necessary to determine the level of affordability, to ensure the tenancy is sustainable. However, I do feel there is little/no flexibility in the approach, whereby, additional support to manage and/or reduce expenditure would give clients the knowledge and skills to facilitate effective change.”
(LA respondent, the North, 2018)

Despite these growing affordability concerns, linked to welfare reform and the roll out of UC (see Chapter 3), there has been a marked fall in court orders made by social landlords against tenants since the last peak

in 2014. Repossessions (Figure 2.16) also rose in 2013 and 2014, but have also been on a downward trajectory since then. Indeed, repossessions are at their lowest level (25,500 in 2018) in the period since 2000, and social sector evictions continue to account for only a very small proportion of statutory homelessness acceptances (see Chapter 4).

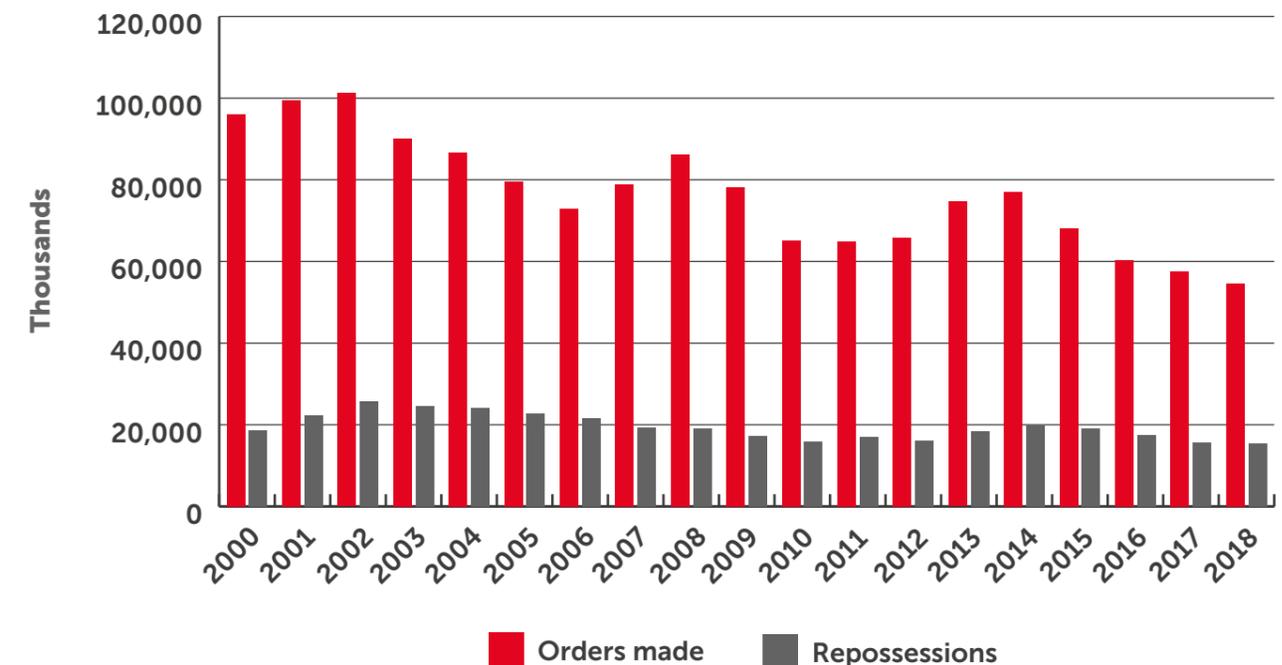
Thus in terms of any contribution to the scale and persistence of homelessness, concerns about social landlord, especially housing association, policies and practices relate far more strongly to allocations than to evictions policies. It is also important to note that these findings reflect the LA perspective on these matters, and it would be very helpful to have evidence brought forward that also incorporated the views and experiences of housing associations.

Figure 2.15 “Affordability/financial capability checks are making it more difficult for homeless households to access social tenancies in my area” (Respondent reactions to statement)



N= London 13; South 75; Midlands 28; North 35; England 151
Please note due to rounding some columns do not add up to 100

Figure 2.16 Social landlord possession orders and repossessions (England)



Source: Ministry of Justice Mortgage and Landlord Statistics in England and Wales

2.7 Key points

- The economic outlook is 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.
- 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 housing market has weakened, and although overall real house prices are slightly lower overall than a decade ago, affordability was lost through price rises before the GFC. The combination of ultra-low interest rates and the need for larger deposits to access mortgages has favoured “insiders” who can put down deposits against “outsiders” who cannot.
- Government has put huge financial resources into boosting home ownership through the Help to Buy scheme, but this benefits primarily households with above average incomes and is unlikely to assist many people who are vulnerable to homelessness.
- 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.
- Private rents appear 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 medium-term shift towards private renting (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 LHA/UC.
- Social lets continue to decline and it is within this context that social lets to homeless households remain in both absolute and in proportionate terms substantially lower than a decade ago. In fact, 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. With the continuation of right to buy and new social rented housing falling a long way below the levels required, access to the sector is likely to continue to decline.
- Very few LA respondents believed that existing social housing provision in their area was commensurate with homelessness needs, but many were at least equally concerned about the problematic profile of the local social housing stock portfolio. This usually referred to more extreme shortfalls in 1-bedroom and 4-bedroom-plus accommodation.
- There were also widespread anxieties about ongoing shifts in housing association tenancy allocations policies and practices. These were reported as increasingly impeding LAs’ ability to resolve homelessness. Nearly half of LA respondents (47%) reported that problematic changes of this kind had recently taken place in their area.
- An even larger proportion of LA respondents – 64 per cent – 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.

Government policies

3. Government policies potentially impacting on homelessness in England

3.1 Introduction

Chapter 2 considered the homelessness implications of the post-2007 economic downturn and subsequent recovery, alongside housing market trends, and in particular access to social housing. This chapter now turns to review policy developments since 2010 that might be expected to affect those experiencing or vulnerable to homelessness, particularly in the fields of homelessness and social security. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter are evident in trends in national datasets.

3.2 Homelessness policies Homelessness Reduction Act 2017

The single most notable homelessness-specific policy development over the past year was the coming into force of the Homelessness Reduction Act (HRA)

2017 in April 2018. As was discussed in last year’s Monitor, the origins of the Act lie in the recommendations of an independent panel of experts, convened by Crisis in summer 2015 to assess the strengths and weaknesses of the existing statutory framework.¹⁰⁰ Drawing inspiration from the Housing (Wales) Act (2014),¹⁰¹ which introduced robust prevention and relief duties owed to *all* eligible households which are homeless or at risk, regardless of priority need status, the Panel’s main recommendations were taken up in a Private Members Bill sponsored by Conservative backbench MP, Bob Blackman. Over the course of 2016 Blackman’s Bill won the support of the Communities and Local Government Select Committee, and later the Government, as well as both Houses of Parliament, receiving Royal Assent a whisker before the fall of Parliament in late April 2017.

¹⁰⁰ Crisis (2016) *The Homelessness Legislation: An independent review of the legal duties owed to homeless people*. London: Crisis. It should be acknowledged that one of the current authors chaired this Panel.

¹⁰¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. Watts, B. & Wood, J. (2017) *The Homelessness Monitor: Wales 2017*. London: Crisis. See also: Mackie, P. (2015) ‘Homelessness prevention and the Welsh legal duty: lessons for international policies’, *Housing Studies*, 30(1), 40-59.

Table 3.1 Practitioner perceptions on the HRA - percentage of respondents agreeing with statement

Statement	London	South	Midlands	North	England
The Act has had no impact on our pre-existing practice with regard to the provision of information, advice and assistance relating to homelessness	20	28	25	43	30
The Act has prompted more effective homelessness prevention work	53	43	44	51	46
Increasing the period that applicants are considered to be threatened with homelessness to 56 days has enhanced homelessness prevention	64	51	44	43	49
The Act will significantly improve our joint working with public authorities subject to the duty to refer	79	45	44	43	47
The Act will have little impact on our cooperation with local housing associations	50	43	44	65	48
The Act has enabled a culture shift to a more person-centred approach	79	57	63	65	62
We have introduced new prevention and relief services as a result of the Homelessness Reduction Act 2017	71	62	53	46	58
Overall, the Act has had little positive effect on our response to people needing homelessness assistance so far	36	15	25	35	23
N=	14-15	82	32	37	165-166

The HRA's central provision involves the introduction of a universal homelessness "prevention" duty for all eligible households threatened with homelessness, as well as a "relief" duty to take "reasonable steps" to help to secure accommodation for eligible homeless applicants. Both these prevention and relief duties will apply regardless of priority need or intentionality status. The Act also extends the definition of those considered "threatened" with homelessness to encompass people likely to lose their home within 56 days, rather than 28 days as before. Other provisions cover enhanced advisory services; duties to agree, and keep under review, a "personalised housing plan" with each eligible applicant; and new duties on public authorities to make referrals to the

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

At the time of this year's online LA survey, the HRA had been in force for around 6 months. Respondents were invited to agree (strongly or otherwise) or disagree (strongly or otherwise) with a set of statements about the legislation and its impact at this early stage (see Table 3.1).

As can be seen, responses to these questions paint a fairly encouraging picture of the initial perceptions of the operation of the HRA from the LA

perspective. 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%), and less than a quarter (23%) saw it as having had "little positive effect" on their responses to people needing homelessness assistance. Less than one third (30%) reported that it had had no impact on the provision of homelessness information, advice and assistance in their area.

In very general terms, the regional pattern of responses indicate that the Act has so far had the greatest impact in London, with a somewhat lesser impact in the North. Interestingly, though, this impression is somewhat in tension with remarks by some London-based key informants who felt that the capital was probably ahead of other parts of the country in developing preventative models, albeit they acknowledged the variable position across boroughs:

"In London boroughs you do have a slightly different situation than you might have in other parts of the country. Homelessness has just been increasing at a pace and scale that, in many boroughs, has made it a political priority... There were certainly boroughs that were already doing the prevention work... While I do think there are some culture changes, it's like [London*] was already pushing in that sort of a direction, but then not universally."
(Statutory sector key informant, 2018)

More broadly, in interpreting some of the results set out in Table 3.1, it is important to give some consideration to the pre-existing situation that might have prevailed in the LA concerned. For example, in disagreeing with the statements about new or more effective prevention services being introduced as a result of the HRA, a respondent might be reflecting a situation where his/her authority

were, or considered themselves to be, already a leading exponent of homelessness prevention prior to April 2018. As one statutory sector key informant remarked, the purpose of the Act was always to "level up", and

"...where authorities did prevention very well before, they wouldn't have seen much of an improvement, but they were they were never the target audience for the Act."

Nonetheless, for many respondents who felt themselves to be in the "ahead of the game" category, the Act was perceived to have brought problematic change in terms of mandated procedures and monitoring requirements:

"...the HRA is an administrative burden overlaid on what had been quite an effective pre-existing Housing Options approach. We feel we are being made to endure a burden because some of the large Mets/UAs were fobbing people off."
(LA respondent, the Midlands, 2018)

"We were already applying the basic factors of the HRA. The massive increase in bureaucracy has reduced the staff resources applied to actual homeless prevention."
(LA respondent, the South, 2018)

These concerns about excessive bureaucracy associated with the HRA were strongly echoed by multiple key informants, though some felt that this concern would ease over time with improved IT:

"...the Act...does place a disproportionate administrative burden on authorities, probably through a wish to performance manage. For example, all of the review duties, and the review duties particularly on the early-stage prevention and relief element - the time that you have to do the review is so long that it actually

stops being able to really make a difference to the case”
(Statutory sector key informant, 2018)

At the same time, though, there was wide acknowledgement of the many positive effects of the Act on organisational culture and service quality, from both LAs and national key informants:

“We have greatly increased our prevention work with customers and are much more proactive.”
(LA respondent, the Midlands, 2018)

“The Homelessness Reduction Act has changed the culture within the Housing Solutions service 100 per cent. Customer satisfaction is now 89 per cent an increase from 67 per cent. Homelessness preventions have increased by 50 per cent.”
(LA respondent, London, 2018)

“The Act is a really positive step forwards and is enabling us to change the ways we work, especially the culture.”
(LA respondent, the North, 2018)

“It’s very exciting. In a way, this whole divide between statutory and non-statutory has now gone, because there’s an obligation, a statutory obligation towards so many more people that local authorities now have to respond to.”
(Statutory sector key informant, 2018)

Striking a slightly different note, one key informant, whilst supporting the aims of the HRA, felt that its introduction had been somewhat premature:

“No one can argue with the principles of the Homelessness Reduction Act, more people get more rights to assistance at an earlier stage, and over a longer period... but what we’ve done is implemented a legislative framework that we’ve mostly copied from Wales, before we’ve

even had an opportunity to look at whether it’s working in Wales...”
(Independent key informant, 2018)

Two-thirds (65%) of LAs saw the HRA as having positive impacts for single people, but with regard to rough sleepers specifically benefits were somewhat less commonly reported (by 42% of LAs) (see Appendix 2, Table 5). Interestingly, more than a third (36%) of LAs also saw the Act as being beneficial for families with children. Detrimental effects of the Act were reported rarely: by 3 per cent of LAs with regard to both single people and rough sleepers, and by only 11 per cent of LAs with respect to families with children. The benefits of the HRA to single people in particular were emphasised by key informants:

“...what’s really been impressive has been the change of culture in local authorities. That is especially in the context of single people who previously would have been found not in priority need, and in many councils offered very little help... That change around the prevention and relief duties being blind to priority need, I think is something that local authorities have really, really taken on board, and... are making a success of a very difficult and challenging situation.”
(Independent sector key informant, 2018)

That said, links were also made with the Rough Sleepers Initiative (RSI) and other developments (see below), such that it was said not to be entirely clear the extent to which any improvements for single people could be attributed solely to the HRA:

“I think with proliferation of policy initiatives that have come out since the HRA and particularly on the rough sleeping agenda, there seems to be almost so much in place for street homelessness people that it’s probably hard to measure how much the HRA’s

helped, because there’s so much other stuff that’s coming alongside the HRA...”
(Independent key informant, 2018)

The positive “culture change” achieved under the HRA was often reported to have been achieved at least in part as a result of staff turnover, with some key informants emphasising the associated workforce planning challenges:

“This is a radical piece of legislation with new duties. The officers who have worked under the old legislation, I think, have found it most difficult to adapt to the new legislation. Many of the new officers that have been brought in by councils have not worked under the previous legislation so have found it easier to understand it.”
(Independent sector key informant, 2018)

“Linked with all of the changes around the Homelessness Reduction Act, I think there’s a staff retention issue.. recruiting staff has been difficult, and I think the cultural change has been challenging it’s just the whole refocusing of the legislation..”
(Statutory sector key informant, 2018)

LAs expressed mixed views on the efficacy of a number of specific aspects of the new regime. For example, while some respondents saw personal housing plans (PHP) as a beneficial device, others expressed frustration around attempts to engage applicants in self-help as envisaged under the PHP model:

“With the PHPs there is definitely a much more person-centred approach which I think is an incredible improvement.”
(LA respondent, the Midlands, 2018)

“The PHP is working really well and clients like to have something to take away and to take some

responsibility for their own housing situation.”
(LA respondent, the North, 2018)

“Customers are generally reluctant to engage and actively pursue the “reasonable steps” in their PHPs.”
(LA respondent, the South, 2018)

“We now spend an inordinate quantity of time producing plans which our customers do not want and which have not resolved, prevented nor relieved a single case of homelessness in the first 6 months.”
(LA respondent, the Midlands, 2018)

Likewise, there was also a diversity of views about the efficacy of the Act’s “Duty to Refer” (DTR):

“We are now seeing referrals from partners under the duty to refer who we have not previously had regular contact from and this is positive.”
(LA respondent, the South, 2018)

“The Government have missed a trick by not making the DTR two-way and needs to expand the statutory bodies to agencies such as the police and community-based services such as Mental Health and Registered providers.”
(LA respondent, the South, 2018)

Consistent with the quotation immediately above, many key informants LAs called for the expansion of the DTR so that it also encompassed a robust duty on other public bodies to cooperate with LAs in the prevention and resolution of homelessness:

“There absolutely needs to be a duty to collaborate and to prevent and relieve because that then places the duty with health, with criminal justice system and I would widen it. I’d have it in education, I’d have it in a whole range of places. I’d give it to social

landlords!"

(Voluntary sector key informant, 2018)

When LAs asked about aspects of the HRA that they found particularly challenging to implement in their area, the prime factors cited were structural welfare and housing supply factors, and especially increasing barriers to PRS placements:

"There is no way to prevent homelessness without a supply of affordable private rented accommodation."

(LA respondent, the South, 2018)

"The private rented sector is no more accessible or affordable than it was before."

(LA respondent, the South, 2018)

A point echoed by multiple key informants:

"What is really crucial about that is that the Act, in and of itself, and other changes that have happened this year, has not made any additional supply available...you're left with the same market situation. You're just trying different ways."

(Statutory sector key informant, 2018)

As announced in 2017, some £72.7 million is being made available "to meet the new burdens costs associated with the additional duties contained within the Act". From LA respondents' survey responses to our survey, it would seem that this "New Burdens" funding has been used mainly to offset additional staffing and IT costs, but most LAs (70%) considered these resources to be insufficient for their requirements (39% expressing the view that this

funding "falls far short" of what is needed, and another 31% arguing that it "falls somewhat short" of what is needed, see Appendix 2 Table 5). Survey responses indicate that views on this matter tended to be particularly negative in London.

It seems that the promised review of the New Burdens funding won't be completed until the end of the current funding period (March 2020), and this raised significant concerns:

"Councils only actually had an allocation towards the HRA for the first two years of the three that funding was confirmed. In the third year it's a zero allocation, because the working assumption was that councils would have made savings in temporary accommodation by that point.... We just think that that is a very, very faulty assumption, and councils are being left in a situation where they have an increasing statutory burden without sufficient resources. Also, there's a lot of concern about what happened in the spending review in terms of other sources of homelessness funding. For example, the Flexible Homelessness Support Grant, which many people are topping up their HRA funding with..."

(Statutory sector key informant, 2019)

The above quotation also points to the broader funding context on homelessness, which must also take into account the Flexible Homelessness Support Grant¹⁰² and RSI funding (see below), alongside a range of other targeted pots of money that have made available, most recently the PRS Access Fund:¹⁰³

"If you look at the total amount of spend coming from government to local authorities for tackling homelessness, it's a considerable amount of money. You can't just see this as the £72 million government funding... [But] There's been a lack of coordination between those funding streams, so it feels like that every month there's a new funding stream to bid for... As far as the amount of money that's gone in, I think the government has [done] exceedingly well in being able to obtain the money at a time of austerity for tackling homelessness."

(Independent key informant, 2018)

The point was made, however, that these additional income streams, even in combination, go only a very limited way towards compensating for massive reductions in mainstream LA funding that have occurred since 2010. Analysis undertaken for St Mungo's/ Homeless Link found that an estimated £5 billion less has been spent by LAs on homelessness-related activities between 2008/9 and 2017/18 than would have been the case had funding continued at 2008/9 levels.¹⁰⁴ Cuts have been particularly deep in single homeless people's services, and in low and medium-level support services. These reductions in homelessness spending have occurred in the broader context of austerity policies which have seen a decline of 28.6 per cent in overall LA spending power in England between 2010/11 and 2017/18, with spending on housing services (excluding social housing) falling by 45.6 per cent between 2010/11 and 2016/17. All this contraction in resources has occurred of course over a period in which homelessness

numbers, and the concomitant demands on LAs, have risen sharply. We found that LAs were therefore often having to "top up" homelessness spending from their own (substantially reduced) general funds, such was the pressure they faced:

"Many councils, despite the level of cuts they were facing, used general-fund money for additional staffing...Those additional staff were not just funded through central government grants for homelessness. A lot of local authorities invested heavily.."

(Independent key informant, 2018)

As noted last year, feelings were on the extent to which H-CLIC¹⁰⁵ had added value or simply complexity to the system. On the other hand, the new Homelessness Code of Guidance¹⁰⁶ seems to have received a broadly warm reception from LAs and others in the sector, and that impression was confirmed this year. It is now an online resource, and the fact that it will now be more regularly updated was widely welcomed. As to the potential Codes of Practice, there appeared to be little appetite or pressure for these to be developed quickly. Rather, the sense was that some space was needed for good practice to evolve before being codified, although one key informant queried whether this was the right approach:

"Codes of Practice, in addition to a Code of Guidance, it all seems a bit clumsy. Local authorities would want to go to one single store and be able to go to that place and access the advice they need rather than I've got a Code of Guidance here and I've got Codes of Practice there and which one do I start with?"

(Independent key informant, 2018)

102 Ministry of Housing, Communities and Local Government (2019) *Flexible homelessness support grant: 2019 to 2020*. Online: Gov.UK <https://www.gov.uk/government/publications/flexible-homelessness-support-grant-2019-to-2020>

103 Ministry of Housing, Communities & Local Government, Tomlinson, J., and Heather Wheeler MP (2019) *Press Release: Housing Minister unlocks private rented sector for most vulnerable*. March 01. Online: Gov.UK. <https://www.gov.uk/government/news/housing-minister-unlocks-private-rented-sector-for-most-vulnerable>

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

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

106 Ministry of Housing, Communities and Local Government (2018) *Homelessness code of guidance for local authorities*. Online: MHCLG. <https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities>

More generally, and following a sharp expansion in the size of Homelessness Advice and Support Team in MHCLG, there seemed to be relief that central government was again taking showing some leadership on homelessness, and supporting councils in a more proactive, expert way.¹⁰⁷

“I think one thing that does help is having the [Homelessness Advice and Support Team], because they are now much more involved with councils than before we started to get into the HRA. You actually have government having a wealth of knowledge about homelessness services on the ground. Prior to that team being in existence, you didn’t have that, and that has been coming through the process of doing the Code of Guidance and through the process of training people...I think that’s been really positive, in addition to the Code.”
(Statutory sector key informant, 2018)

Nonetheless, some key informants also felt that what was still lacking was a clear overarching “performance framework” on homelessness for English LAs:

“MHCLG... [have] been able to squeeze a lot of money from Number Ten and the Treasury, and a lot of investment has gone into homelessness. What on earth is that money buying because there is no performance framework?... The three clear performance framework should be: reduction in rough sleeping locally, reduction

in temporary accommodation, and maximise the number of successful prevention and relief outcomes.”
(Independent key informant, 2018)

“MHCLG could consider some sort of overarching performance management of homelessness services. Rather than relying on... case-based, review-based approach that places a disproportionate administrative burden.”
(Statutory sector key informant, 2018)

Rough sleeping

Rough sleeping has had a particularly high public profile over the past couple of years, with growing concerns over the rising numbers on the streets over the past decade (see Chapter 4), and also a spike in “street deaths” in recent years.

ONS have recently published the first “experimental statistics” on the number of deaths of homeless people in England and Wales.¹⁰⁸ They estimated that there were 597 deaths of homeless people in England and Wales in 2017, a figure that has increased by 24 per cent over the last five years.¹⁰⁹ Men accounted for 84 per cent of deaths of homeless people in 2017, meaning that there were more than five times as many 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 deaths of homeless people in 2017 were due to drug poisoning, liver disease or suicide. It should be noted, however, that the meaning of ‘homelessness’ in this ONS statistical release is shaped by the (limited) scope for identification of homeless individuals in the death registration data. While the records identified are said to be mainly people sleeping rough, or using emergency accommodation such as homeless shelters and direct access hostels, at or around the time of death, the definition of homelessness deployed lacks the sharp parameters of others used in this Monitor.

A survey of street outreach services carried out by St Mungo’s for a report entitled *“Dying on the Streets”*, indicated that health services, particularly mental health services, are getting increasingly difficult to access for people sleeping rough.¹¹⁰ Almost two-thirds of respondents were aware of someone who had died while sleeping rough in their LA in the last year, but it seemed that Safeguarding Adults Reviews were only carried out in a small minority of these cases.

As noted in last year’s Monitor, The Conservatives under Theresa May have pledged to halve rough sleeping in this Parliament and eliminate it altogether by 2027. The Prime Minister established a “Rough Sleeping and Homelessness Reduction Ministerial Taskforce” supported by an expert “Rough Sleeping Advisory Panel” in Autumn 2017. The Government subsequently published a Rough Sleeping Strategy (RSS) in August 2018 which set out how the Government planned to be the Manifesto commitment,

ushering in a range of “prevention”, “intervention” and “recovery” measures, and foregrounding the Government’s previously announced investment of £28 million in three major Housing First pilots.¹¹¹

The RSS, linked to the Strategy, included the establishment of a new cross-disciplinary expert team, and a £30 million investment to reduce rough sleeping in 2018/19, with up to £46 million to be made available 2019/2020. In the RSS it was also announced that up to £17 million would be made available for “Somewhere Safe to Stay” pilots, which will rapidly assess the needs of people who are sleeping rough or at risk of rough sleeping, and that there would also be funding for rough sleeping “Navigators”, new specialists to help coordinate access to the appropriate local services for people who sleep rough. “Supported Lettings” and “Local Lettings” schemes were also introduced, designed to help rough sleepers, and those at risk of rough sleeping, access support and settled housing. An additional £2 million in health funding was made available to enable access to health and support services for people who are sleeping rough, and NHS England has now committed to spending £30 million on health services for people who sleep rough, over the next five years.¹¹²

Other notable commitments in the RSS include a wider review of homelessness and rough sleeping legislation, which will include the Vagrancy Act, the strengthening of local homelessness strategies (with a new emphasis on rough sleeping), and homelessness experts to be located in every JobCentre Plus. Also noted in the RSS is the capital and revenue

107 As discussed in detail in last year’s Monitor, MHCLG was severely criticised by the National Audit Office and for its ‘light touch’ approach to homelessness, and this was followed by a Public Accounts Committee report which denounced the Department’s attitude to the issue as “unacceptably complacent”. See National Audit Office (2017) *Homelessness: A Report by the Comptroller and Auditor General*. London: National Audit Office.; Public Accounts Committee (2017) *Homeless households*. Online. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2017/homeless-households-17-19/>

108 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>

109 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.

110 St Mungo’s (2018) *Dying on the Streets: the case for moving quickly to end rough sleeping*. Online: St. Mungo’s. <https://www.mungos.org/wp-content/uploads/2018/06/Dying-on-the-Streets-Report.pdf>.

111 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

112 NHS (2019) *The NHS Long Term Plan*. Online: NHS.UK <https://www.longtermplan.nhs.uk/wp-content/uploads/2019/01/nhs-long-term-plan.pdf> (para 2.32)

expenditure of £100 million being made available through the “Move On” fund to deliver a new supply of homes for people who are sleeping rough, as well as those who are ready to move on from hostels and refuges, who have lower support needs than those whom Housing First is targeted at.¹¹³

In October 2018, MHCLG invited expressions of interest from LAs to become “early adopters” of the “Rapid Rehousing Pathway” (RRP), covering four of the interventions as set out in the RSS: “Somewhere Safe to Stay” hubs, “Supported Lettings”, “Navigators” and “Local Lettings Agencies”.¹¹⁴ In December 2018, 11 areas were selected as the “early adopters” of the Somewhere Safe to Stay rapid assessment hub model, and in February 2019, another 42 “early adopter” areas were announced to pilot the other three elements of RRP. Then second RRP funding round for 2019/20 was opened in March 2019.¹¹⁵

The RSS was generally well received, with its cross-departmental nature particularly welcomed, though the failure to acknowledge the impacts of welfare reform was highlighted as a negative.¹¹⁶

“...the strengths has been the process of calling other government departments to account slightly, to bring them along...On the negative side, not saying anything meaningful about welfare reform was really disappointing, but on the whole, a good start.”
(Statutory sector key informant, 2018)

“I think there’s a lot of good stuff in the rough sleeping strategy, to be honest. I think it is a good piece of work... money from health, so looking at the asks of the other departments, so DWP [Department for Work and Pensions]...health and social care, all of those, to be welcomed.”

(Voluntary sector key informant, 2018)

“I think the rough sleeping strategy is welcome... I think it has got a long way to go, in terms of tackling some of the wider structural issues around homelessness and rough sleeping. Until it does, though, it’s going to struggle to be able to achieve its objectives of the reductions in 2022 and 2027.... it says very little about housing supplies, says very little about welfare issues..”

(Voluntary sector key informant, 2018)

Decisions taken on the disbursement of the RSI funding also largely met with the approval of key informants:

“It was a good decision by government to leave some money back so that local authorities that weren’t one of the 80-odd biggest rough-sleeping areas were still able to bid for the additional funding to tackle smaller rough sleeping numbers within their area. I think the approach to rough sleeping has been good, I think the money has been good, and I think the response from local authorities to tackling rough sleeping has also been good.”

(Independent key informant, 2018)

As noted in Chapter 4, after climbing substantially since 2010, the most recent national rough sleepers estimate recorded a slight overall fall in numbers between autumn 2017 and autumn 2018. While the details and interpretation of these trends are covered in the next chapter, it is worth noting here than a range of key informants attributed the arresting of this upward trend to the Rough Sleepers Strategy, highlighted that the fall in numbers was most pronounced in those areas which had received RSI funding (though note the doubt that the UK Statistics Authority has recently thrown on this interpretation):¹¹⁷

“Well I think because of the RSI money that’s gone in and...a big team of people in the department [MHCLG] who are out there, working locally doing some really interesting work...I think that’s really positive. That’s really good that we’ve got that, and I think the 2 per cent decrease has proved that we are beginning to cut the numbers down a little bit.”
(Voluntary sector key informant, 2018)

“...the..2 per cent reduction from the count of October/November 2018, is really good news...It’s a small reduction, but it’s reversing a trend, and that is particularly important, because the Rough Sleeping Initiative... has had the fundamental impact on that number.. organisations getting funding through the Rough Sleepers Initiative had probably 16 weeks to make an impact on the streets. ...The big figure.. is the [19%] reduction in rough sleeping across the 83 areas with the highest numbers, that [have been] funded [under RSI].”

(Statutory sector key informant, 2018)

Specific aspects of the Strategy were also highlighted for praise. The “Navigators” model, for example, was welcomed as part of a wider “systems change” agenda, albeit that the breadth of “ownership” of the problem at local as well as national level wasn’t quite there as yet:

“...what’s missing from this strategy is a sense that this is everyone’s problem and that, locally, this needs to be a strategy which is implemented not just by housing teams, but by the range of statutory and voluntary organisations that are working across substance misuse, and mental health, and criminal justice.”
(Voluntary sector key informant, 2018)

There was also strong support for the “Somewhere Safe to Stay” service models, and the need for them explained by this key informant:

“At the moment, legislation [HRA] still leaves people who have got literally nowhere to go on that night, it doesn’t require local authorities to provide accommodation for them. So we were trying to build into the [HRA] Bill a provision that local authorities would have a duty in that situation if someone had nowhere else to go that they would have to provide a 24-hour facility so sleeping rough wasn’t used as the next step in their journey to try and get help... MHCLG agreed that they would pilot that sort of approach.”
(Voluntary sector key informant, 2018)

Three quarters of LA respondents this year’s online survey (75%) considered rough sleeping a problem in their area. For nearly one council in four (23%) it was said to be a “major problem”.

113 Ministry of Housing, Communities and Local Government, and Homes England (2018) *Move On Fund*. Online: Gov.UK. <https://www.gov.uk/government/publications/move-on-fund>

114 Ministry of Housing, Communities and Local Government (2018) *Rapid Rehousing Pathway: Somewhere Safe to Stay early adopters*. Online: Gov.UK. <https://www.gov.uk/government/publications/rapid-rehousing-pathway-somewhere-safe-to-stay-early-adopters>

115 Ministry of Housing, Communities and Local Government (2019) *Rapid Rehousing Pathway: 2019 to 2020 funding*. Online: Gov.UK. <https://www.gov.uk/government/publications/rapid-rehousing-pathway-2019-to-2020-funding>

116 In fairness, it should be noted that affordability issues in the PRS are at least flagged, in the context of the ending of the current benefit freeze in 2020 (see para 15).

117 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/>

Most of these respondents said that they had at least some awareness of the national RSS (which had relatively recently been published at the time of the survey). Positive comments on the new strategy guidance and associated funding included the following:

“Additional funding for outreach, move on accommodation, support for EEA [European Economic Area] nationals, prison pathway pilots and increased healthcare are particularly welcome.”
(LA respondent, the South, 2018)

“...the cross-cutting nature of rough sleeping is recognized- which is a big step forward.”
(LA respondent, the South, 2018)

“The strategy raises the profile and focus on rough sleeping in an area where this traditionally wasn’t the case.”
(LA respondent, the North, 2018)

However, there were a number of notes of caution sounded by both LAs and key informants. For some, there was a concern that rough sleeping may be gaining attention at the expense of wider homelessness issues, including HRA implementation:

“All the focus has been on rough sleeping and not on the implementation of the HRA, and they are equally important... [Its important to focus] Not just on tackling rough sleeping but tackling family homelessness as well as single-mum priority homelessness, where people are sofa surfing and they’re not necessarily on the streets.”
(Independent key informant, 2018)

There was also reference to the need to maintain the focus on rough sleeping over time, with reminders given that the gains made by the

Rough Sleepers Unit 1998-2001 had subsequently been lost as rough sleeping rose again towards the end of that decade:

“Critical thing for me is that it doesn’t now get lost, so we’ve had one year that [MH]CLG have to step-up to the plate and keep it going...A ten-year strategy is right, but it will get forgotten about when left and they’ll be another priority and the evidence is, we nearly got rid of rough sleeping in 2000, we thought we’d cracked it, we forgot about it, and look where we are now. That’s the danger for me.”
(Statutory sector key informant, 2018)

Linked concerns were also expressed about the multiplicity and short-term nature of some of the funding streams on rough sleeping, and the “transaction” costs associated with regular bidding efforts:

“...local authorities are asked to bid for short-term pots of money, they’re asked to put the bids in at very short notice and local authorities already haven’t got enough staff and they’re not actually experts in writing bids. What they’re good at is administering homelessness functions and writing a bid is something quite different. Then there’s all the pressure on local authorities to then deliver against this pot of money that we’ve bullied you into bidding in the first place and now we want you to...”
(Independent key informant, 2018)

Moreover, the importance of placing these additional resources in the context of the massive cuts in Supporting People and other LA budgets since 2010:¹¹⁸

“...you’ve taken £2 billion out of the supported housing budget,

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

over the last X number of years, and the amount that’s being invested through the rough sleeping strategy just pales into insignificance, as a result... we’re in a situation where we’ve damaged the wider services. The housing services, but also the wider services that people need, to such an extent that chucking £100 million at this issue in not a very strategic way, isn’t going to cut it.”
(Voluntary sector key informant, 2018)

There was some frustration expressed with the pilot-led approach to introducing Housing First, given the already very strong evidence base on this model. More broadly, the need to scale up positive initiatives was stressed, alongside structural reforms which provides a more supportive policy landscape:

“... the pilots have got to go from pilot to being programmes. So Housing First and Navigators and Rapid Re-Housing but all that stuff has got to be scaled up...the LHA issue to be addressed. We definitely need a huge increase in the number of social housing built...We need to incorporate Somewhere Safe to Stay into the law, so... nobody falls asleep rough before they get any help. We need to put Supporting People programme back and fund it properly, recognising there’s a lot of people who end up going in and out of the system that need some support.”
(Voluntary sector key informant, 2018)

Migrant homelessness

The stated aim of the UK Government’s immigration policy is to

reduce net migration to “sustainable levels” to address concerns about the pressures on housing, public services and wages.¹¹⁹ A key part of the government’s strategy for achieving this involves creating a “hostile environment” (now referred to as the ‘compliant environment’) for migrants who they believe are not here legally.¹²⁰ This involved making it more difficult for irregular migrants to get work, housing and financial services – measures introduced through the Immigration Act (2014) and the Immigration Act (2016). While the hostile environment is aimed at people without valid leave to be in the UK, there are regular reports of people with a lawful right to be here being caught up in the system.¹²¹

Many migrants have limited access to benefits and other essential services that help to prevent and relieve homelessness.¹²² Eligibility for welfare benefits and housing for EEA nationals and their family members can be complex, and currently the main way they can access these public services is through working in the UK. Migrants from outside the UK are also increasingly being granted leave to remain with a condition of no recourse to public funds, following changes to the immigration rules in July 2012. People with an unresolved immigration status, which includes those who had leave to remain but didn’t manage to extend it, do not have access to benefits. Asylum seekers are also unable to work and access mainstream welfare benefits, but where people would otherwise be destitute they are entitled to accommodation and limited financial support provided by the Home Office. Changes introduced

119 Amber Rudd MP, Speech to Conservative Party Conference 2016. <http://press.conservatives.com/post/151334637685/rudd-speech-to-conservative-party-conference-2016>

120 Kirkup, J. and Winnett, R. (2012) Theresa May interview: ‘We’re going to give illegal migrants a really hostile reception’, *The Telegraph*, 25th May. <http://www.telegraph.co.uk/news/uknews/immigration/9291483/Theresa-May-interview-Were-going-to-give-illegal-migrants-a-really-hostile-reception.html>

121 House of Commons Home Affairs Committee (2018) *Immigration policy: basis for building consensus. Second Report of Session 2017-19*. <https://publications.parliament.uk/pa/cm201719/cmselect/>

122 Chartered Institute of Housing (n.d.) *Housing Rights information for Housing Advisors*. Online: CIH https://www.housing-rights.info/03_0_Housing_advisers.php

in the Legal Aid, Sentencing and Punishment of Offenders Act (2012) significantly reduced the types of immigration cases eligible for legal aid, meaning that legal aid is no longer available for most immigration status problems. However, a High Court decision in December 2017 saw the Home Office forced to abandon a policy of administrative removal of EEA migrants sleeping rough.¹²³

As noted in Chapter 4, a quarter of rough sleepers across England are non-UK nationals according to the latest official estimates, – a proportion which has increased substantially since 2017 and involves mainly citizens of other EEA nations. The Greater London Authority's CHAIN system also indicates that rising rough sleeping in London is largely (though not entirely) attributable to a strong reversal of a previous decline in Central and Eastern European (CEE) rough sleeper numbers in the capital over the past year (again see Chapter 4 for an interpretation of these trends). In the national RSS, £5 million new funding was announced for local areas to work with non-UK nationals who sleep rough,¹²⁴ though no announcements on the disbursement of those funds have been made to date.

Homelessness amongst migrants was said to constitute a problem in more than half of all LAs that responded to this year's online survey. This was particularly true with regard to homelessness amongst EEA migrants – 52 per cent of all responding authorities considered this a problem in their area, compared with 32 per cent of LAs which viewed homelessness amongst asylum seekers as a problem, and only 13 per cent which reported homelessness amongst other migrants as a challenge for them (see Appendix 2, Table 7).

Homelessness amongst EEA migrants was said to pose a "major problem" in more than half of London Boroughs (58%), whereas in all other regions this was true of less than 10 per cent of responding authorities. In 60 per cent of the localities where EEA migrants formed a significant component of homelessness demand, authorities found it difficult (somewhat or very) to provide meaningful help, and again this was especially true in London (see Appendix 2, Table 7).

In elaborating on their responses on EEA migrants, many respondents noted that the situation of those lacking entitlement to benefits was highly problematic, while the prospects of those who had attained "worker" status was much better:

"Establishing eligibility around worker status/retention or loss of that status is always fraught and where that status is lost, the absence of meaningful enforcement can and does lead to rough sleeping."
(LA respondent, the South, 2018)

"Eligible EEA migrants are generally in no worse position than UK nationals, but it is difficult to provide meaningful assistance to those who are ineligible."
(LA respondent, the South, 2018)

"The main issue is where EEA migrants are not exercising their treaty rights to work and are therefore not eligible for housing assistance. The assistance we are able to offer is therefore limited and despite attempting to encourage these migrants into work to help resolve their situation this has limited success."
(LA respondent, London 2018)

This issue was also of significant concern to key informants, a number of whom drew attention to what they perceived to be a growing problem of homelessness "encampments" accommodating these groups.

"We definitely need a response for migrant homelessness, that sense that it's okay just to leave people destitute has got to stop."
(Voluntary sector key informant, 2018)

The link with street deaths was also made:

"...sadly the people dying on the street are.. often non-UK nationals. They have fewer options, and we're in a position, I think, in London, and elsewhere, where for non-UK nationals, there's neither an enforcement approach nor a support approach that's in place for them, so nothing's changing."
(Statutory sector key informant, 2018)

However, the point was also made by one key informant that some younger migrant rough sleepers, often staying in encampments, present quite a different profile and set of policy challenges from older migrant rough sleepers who may be engaged in begging:

"They're younger, they're robust, they're able, they're saving up money for their communities back in Romania, and on that level they're doing a very rational thing. Obviously that does have an impact on street count numbers, and it has an impact on communities, too."
(Statutory sector key informant, 2018)

3.3 Welfare policies

Given that social security systems, and especially housing allowances, are what usually "break the link" between losing a job or persistent low income

and homelessness (see Chapter 1), welfare reforms are highly relevant to homelessness trends. The Coalition and Conservative governments have introduced a raft of welfare reforms over the last eight years, many of which have direct implications for lower income households and their capacity to secure or retain accommodation in all sectors of the housing market. These have been comprehensively reviewed in previous editions of the Monitor.¹²⁵ Here we focus on a selection of welfare policies likely to have particular implications for homelessness, namely:

- Local Housing Allowance reforms (including the Shared Accommodation Rate)
- Universal Credit
- Benefit caps
- Discretionary Housing Payments and the "Bedroom Tax"
- Benefit conditionality and sanctions
- Local Welfare Assistance

Local Housing Allowance and Shared Accommodation Rate

Changes to the LHA regime for private tenants led the way in the welfare reform agenda.

These changes have been applicable to all new claimants since April 2011, and subsequently to all existing claimants. The key initial changes were to set LHA rates based on 30th percentile market levels, rather than market medians, and to set maximum caps that mainly affected inner London. While in 2013/14 those LHA rates were uprated by the lower of either inflation (CPI) or changes in market rents, subsequently in 2014/15 and 2015/16 they were uprated by just 1 per cent. Following a decision

¹²³ *R (Gureckis) v Secretary of State for the Home Department* [2017] EWHC 3298 (Admin).

¹²⁴ 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(para 16)

¹²⁵ See Crisis (n.d.) About the Homelessness Monitor. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

in the Summer Budget 2015 the LHA rates have been frozen for four years from 2016/17. The Chancellor did not respond to the case for ending the freeze (made by groups including Crisis, the Joseph Rowntree Foundation, Trussell Trust, Resolution Foundation and Child Poverty Action Group (CPAG) in his Spring Statement delivered on 13th March 2019.

The Shared Accommodation Rate (SAR) limits the amount of assistance that a single private tenant aged under 35 can receive from HB (or UC) to the LHA rate for shared accommodation in the area. In 2012 it was extended from single people aged under to 25 to 34.

The House of Commons Library analysis indicates that:

“Cumulatively, if there had been no four-year freeze and affected benefits had been allowed to rise in line with CPI, affected benefits would have risen by 6.5 per cent in nominal terms by 2019/20 compared with 2015/16.”¹²⁶

This means: “affected households will have incomes between £888 and £1,845 lower, in real terms than without the freeze.”¹²⁷

Consequently, there has been a growing gap between actual rents and the amount of rent that is covered by LHA. Analysis across GB by the Chartered Institute of Housing (CIH)¹²⁸ found that even with the Targeted Affordability Fund (TAF, see below) 90 per cent of LHA rates in English broad

rental market areas do not cover even the cheapest rents (those in the 30th percentile).

CIH describe a gap of £5 per week for those affected by the SAR or over £10 for all other property sizes as “substantial” yet some areas experience an even larger gap of £20 per week gap or more between market rents and LHA rates. For SAR, outside London, the highest gaps can be found mostly in the South East and East – Ipswich, Cambridge, Oxford, Bedford and Luton but with clusters also in Cornwall, Greater Manchester and Lancashire where a shortfall of £10 per week can be seen. Inside London this gap jumps to over £20 per week for SAR and £30 or more for one or two bed properties, and £60 per week or more for three to four-bedroom properties. Earlier analysis by the CIH¹²⁹ found that in 83.8 per cent of all property sizes in the 152 broad rental market areas (BRMAs) across England were below the 30th percentile rents thus meaning claimants were making up the shortfall themselves.^{130 131}

DWP commissioned research¹³² found that 94 per cent of claimants across GB made up the difference between rent and LHA from their own resources. However, this research was conducted prior to the “benefits freeze” which applies to other working-age benefits. It is therefore probable that LHA claimants are making up the shortfall between actual rents and LHA rates out of benefit income whose real value is being eroded by inflation.

126 McInnes, R (2019) *Benefits Uprating 2019*. London: House of Commons Library p.5 <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8458#fullreport>

127 Common Select Committee (2019) *Committee questions Amber Rudd on benefit levels “driving destitution and poverty”*. March 04. Online: Parliament.UK. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/benefit-freeze-evidence-session-17-19/>

128 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH.

129 Chartered Institute of Housing (2016) *Mind the Gap*. Coventry: CIH.

130 There are 5 rates (shared, 1 bed, 2 bed, 3 bed 4+ bed) in each of England’s 152 BRMAs.

131 Chartered Institute of Housing (2016) *Mind the Gap*. Coventry: CIH.

132 Beatty, et al (2014) *The impact of recent reforms to Local Housing Allowances: Summary of key findings*. London: DWP

There were 65,140 SAR claimants in England in April 2018.¹³³ Of these, the greatest number were unsurprisingly in London at 12,399 followed by the South East at 9,332 with the lowest number of recipients in the North East at 4,492, followed by the East Midlands at 5,505.¹³⁴ When the Social Security Advisory Committee carried out a snapshot analysis of SAR across the UK it found no rented properties available at the April 2018 SAR rate in the Lewisham, Bromley or Bristol BRMAs.¹³⁵ The impact of such shortfalls is greater when the claimant is aged under 25 and is also receiving income replacement benefits. This is because under 25s do not receive the householder rate in their benefit (part of the 1988 reform). Consequently, their weekly benefit is substantially reduced because of this¹³⁶ which in turn leads to destitution in some cases.¹³⁷

Targeted Affordability Fund

In the 2017 Autumn Budget the Chancellor announced an increase in the TAF of £125 million, which increases LHA rates in areas most affected by the freeze. A small proportion of the saving generated by the LHA freeze has been “recycled” into increasing the LHA rates in those areas across GB where they are most adrift of market rents.¹³⁸ Excluding

SAR, the areas benefitting from TAF most are in the greater South East of England. BRMAs that have received multiple years of awards in the one to four bedroom categories include: Cambridge, Bristol, Luton and Hertfordshire. Outside of this area, Southern Greater Manchester and East Cheshire have also had multiple year awards of TAF but only for one LHA category.¹³⁹ However, TAF payments have gone only a small way in filling the widening gaps between market rents and LHA rates since 2013.¹⁴⁰ Taking one bedroom properties¹⁴¹ in Cambridge as an example, where the LHA rate attracted the 3 per cent uplift of TAF, rent at the 30th percentile was determined by the Valuation Office Agency¹⁴² to be £189.86 per week¹⁴³ but the LHA rate even with the 3 per cent uplift was set at £153.79 per week¹⁴⁴ between April 2019–20, still leaving a substantial weekly shortfall.

Temporary and supported accommodation

Temporary Accommodation (TA) is currently covered by HB legislation and as Universal Credit (UC) was rolled out, TA was initially covered by UC housing costs. Consequently, assistance was capped by LHA rates used elsewhere in the PRS.¹⁴⁵ However, the short-term nature of TA along with

133 DWP StatXplore

134 DWP StatXplore

135 Social Security Advisory Committee (2018) *Young People Living Independently: A study by the Social Security Advisory Committee*. Occasional Paper No. 20 May 2018. Online: Gov.UK. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf

136 Blenkinsopp, J. (2018) *The Impact Social Security Reforms on Younger Adults’ Housing Choices in Edinburgh*, PhD thesis. Edinburgh: Heriot Watt University.

137 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>

138 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH. p. 9

139 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH. pp. 12-16

140 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH. p. 2

141 One bedroom property with exclusive use of other facilities.

142 In England, the Valuation Office Agency Rent Officer sets LHA rates for each forthcoming year based on private market rents being paid in a Broad Rental Market Area. <https://www.gov.uk/guidance/local-housing-allowance>.

143 Gov.UK (2019) *Local Housing Allowance (LHA) rates applicable from April 2019 to March 2020*. Online: Gov.UK. <https://www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2019-to-march-2020> Table 2

144 Gov.UK (2019) *Local Housing Allowance (LHA) rates applicable from April 2019 to March 2020*. Online: Gov.UK. <https://www.gov.uk/government/publications/local-housing-allowance-lha-rates-applicable-from-april-2019-to-march-2020> Table 3

145 Wilson, W (2017) *Housing Cost in Universal Credit*. London: House of Commons Library. pp. 14-15

its higher costs meant that arrears were inevitable and unsustainable for both provider and tenant. The UK Government subsequently announced (in November 2017) that it would bring TA back under HB legislation with the Transition to UC Housing Payment, which extends the end date of HB when a claimant migrates to UC. This came into force on 11 April 2018.¹⁴⁶ However, the longer-term future of TA is at present unknown.¹⁴⁷

As was discussed at length in last year's Monitor, the Government had proposed taking the housing costs of short-term supported accommodation out of the mainstream benefit system altogether. The proposal was to instead provide funding via a ring-fenced "Local Grant Fund" administered by LAs.¹⁴⁸ The Government has now abandoned the plans¹⁴⁹ under heavy pressure from a wide range of charities and the National Housing Federation.¹⁵⁰

Universal Credit

A full account of UC, which aims to radically simplify the social security system by combining six existing working-age benefits into a single payment, is set out in earlier editions of the Homeless Monitor.¹⁵¹

The new regime was initially operational only for single person

claimants, but is now being rolled out for couples and family households. The overall timetable for rolling out the new regime has been substantially – and repeatedly – deferred from original plans, not least due to difficulties in developing the IT system for a still complex scheme, where the detailed regulations and operational requirements for it were not finalised until very late in the day. Poor management and lack of cost controls in the development of the new regime were highlighted in two early reports from the NAO. A more recent report into the UC online verification process in 2019 found:

"Only 38 per cent of Universal Credit claimants can successfully verify their identity online (of the 70% of claimants that attempt to sign up through Verify). This compares to the DWP's original plan to use it for 90 per cent of claimants."¹⁵²

Claimants who are unable to verify their claim through this process would need to have their claims updated manually, increasing administrative costs.

Roll out

Although the introduction of UC has been delayed repeatedly, the numbers of people receiving it continue to grow. In November 2017 there were 537,061 claimants of UC in England,

but by November 2018 this number had almost doubled to 1,0794,92.¹⁵³ Managed migration from legacy benefits to UC is not expected to be completed until December 2023 and those people who transfer to UC (invited to make a fresh UC claim) will be offered transitional protection to ensure they are no worse off than under their legacy benefit. In contrast, people making a fresh claim outside the managed migration process will receive no such transitional protection. The Secretary of State for Work and Pensions announced in March 2019 that Harrogate had been chosen to be the pilot area for the first 10,000 managed migration claims.¹⁵⁴

Problems

The roll-out of UC has encountered many problems and has been criticised widely and been associated with the increasing use of food banks,¹⁵⁵ even now by the current Secretary of State,¹⁵⁶ and linked with a rise in absolute destitution.¹⁵⁷ The main cause of acute hardship appears to be the waiting period before receiving the first payment, given that it is a monthly payment, paid in arrears.

Increases in rent arrears (besides those already discussed in relation to TA above), and the subsequent rise in court actions against those unable to sustain their rental payments because of problems with UC, have reinforced

the importance of the pre-action protocol¹⁵⁸ which courts must be cognisant of prior possession being granted particularly where rent arrears are connected to delays in UC.¹⁵⁹ Earlier the Coalition Government had already confirmed that a person should not be treated as intentionally homeless if they were evicted as a result of a benefit reduction "beyond their control."¹⁶⁰

Deductions from benefits to repay "priority debts" and fines debts owed by tenants to third parties are known as Third Party Deductions (TPD). These can be higher under UC than under legacy benefits, and figures released recently in response to a Parliamentary question revealed that over half (53%) of all UC claimants had some of their benefit deducted at source by DWP to pay off debts to utility companies or landlords in October 2018.¹⁶¹ TPDs can amount to 40 per cent of the standard allowance under UC (and even more if the DWP believe this to be in the claimant's interest). A TPD for rent arrears alone can alone take 10-20 per cent of the standard allowance. The minimum five week wait for the first payment of UC means an advance of benefit, and therefore a deduction from benefit for the advance, is likely. With three TPDs allowed to be taken plus other deductions for overpayments and repayments of the UC advance (an interest free

146 Department for Work and Pensions (2018) *Housing Benefit Circular HB A2/2018*. London: DWP https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690867/a2-2018.pdf

147 UK Parliament (2017) *House of Commons Hansard 23 November 2017* Volume 631, London: House of Commons <https://hansard.parliament.uk/commons/2017-11-23/debates/36ef5fee-7fb1-4841-a242-7625ed73fca0/universalcredit>

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

149 <https://www.gov.uk/government/news/all-supported-housing-funding-to-be-retained-in-welfare-system>

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

151 See Crisis (n.d.) About the Homelessness Monitor. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

152 National Audit Office (2013) *Universal Credit: Early Progress*. Online: National Audit Office. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>; National Audit Office (2014) *Universal Credit: Progress Update*. Online: National Audit Office. <http://www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf>; National Audit Office (2019) *Investigation into Verify*. Online: National Audit Office. <https://www.nao.org.uk/wp-content/uploads/2019/03/Investigation-into-verify.pdf> p15

153 DWP StatXplore

154 Common Select Committee (2019) *Committee questions Amber Rudd on benefit levels "driving destitution and poverty"*. March 04. Online: Parliament.UK. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/benefit-freeze-evidence-session-17-19/>

155 Loopstra, R and Lalor, D (2017) *Financial insecurity, food insecurity, and disability: The profile of people receiving emergency food assistance from The Trussell Trust Foodbank Network in Britain*. Salisbury: The Trussell Trust.

156 BBC (2019) *Amber Rudd links Universal Credit to risk in food bank use*. February 11. Online: BBC News. <https://www.bbc.co.uk/news/uk-politics-47203389>

157 Butler, P. (2017) *Destitution is back. And we can't just ignore it*. Online: The Guardian. <https://www.theguardian.com/society/2017/jul/03/destitution-ignore-welfare-cuts>

158 Justice.Gov (2017) *Pre-Action Protocol for Possession Claims by Social Landlords*. Online: Justice.Gov.UK. <https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>

159 Wilson, W (2017) *Housing Cost in Universal Credit*. London: House of Commons Library. p31

160 Kennedy, S. et al. (2017) *The Benefit Cap, Briefing Paper Number 06294*. London: House of Commons Library.

161 Diver, T. (2019) *Universal credit: More than half of claimants have money deducted from payments, figures show*. March 21. Online: Independent. <https://www.independent.co.uk/news/uk/politics/universal-credit-claimants-money-deducted-department-for-work-and-pensions-over-half-a8832766.html>

loan in lieu of benefit) a claimant could be left with just one penny of their UC. These debt recovery practices have been described as uncoordinated and have been cited as one route into destitution,¹⁶² and clearly they also mean that claimants are less able to top up rental payments where required, making arrears and potentially eviction and homelessness more likely.

Perhaps the most high profile and strongly worded criticism of UC was made by Professor Philip Alston in his capacity as the UN Rapporteur on extreme poverty and human rights following his visit to the UK. He stated:

“No single program(me) embodies the combination of the benefits reforms and the promotion of austerity program(me)s more than Universal Credit. Although in its initial conception it represented a potentially major improvement in the system, it is fast falling into Universal Discredit.”¹⁶³

The DWP stated that it “completely disagreed”¹⁶⁴ with the report, while the Secretary of State objected to its “extraordinary political nature.”¹⁶⁵

Concessions

Nonetheless, the UK Government is clearly alert to the problems associated with UC and has introduced a number of concessions in order to address them.

As part of the “test and learn” strategy,¹⁶⁶ the DWP have taken a

number of steps to address problems that have occurred. The UC advance benefit payment increased from 50 per cent of estimated entitlement to 100 per cent in January 2018, with claimants able to receive advance payments within five days of applying for benefit. Recovery periods for the advance (as it is paid as a loan) have been increased from six to 12 months and, from October 2021, this recovery period will be extended to 16 months. From October 2019, there will be a reduction of TPD to maximum of 30 per cent of the standard allowance of UC (unless it is in claimant’s interests to apply a higher amount).

The Work Allowance had previously been cut in the Summer Budget 2015, but the UK Government has announced that from April 2019 there will be an increase in Work Allowance with UC by £1,000 each year. However, only for those claimants with children or those (or their partner) with limited capability for work.

Other concessions relate to the delays to the payments of UC. The seven days waiting period ended in February 2018, so claims start from the date of application. The DWP state that a five-week wait is likely as this includes a one month assessment period and up to seven days for the benefit to reach a bank account.¹⁶⁷ From April 2018 a two-week run on of HB if the claimant is transferring from HB to UC (which is not repayable) has been in place.

From April 2017 the UC taper was reduced from 65 per cent to 63 per cent meaning claimants are able to keep 37 pence for every £1 earned above the work allowance, rather than 35 pence.

Another key concern about UC compared to HB was the payment of the housing costs element to the tenant, other than in exceptional circumstances (in England and Wales). From December 2017 the government made it easier to have the housing costs element paid directly to the landlord (both social and private landlords), using so-called “managed payments.” Paying rent to the landlord may be thought necessary where the tenant displays significant “vulnerabilities” such as addictions or difficulties in budgeting. It can also be requested by the landlord where tenants have certain levels of arrears. Tenants granted managed payments are offered personal budgeting support. The presumption is that most will be helped towards making their rent payments themselves.

In January 2018, the government extended the simplification measures to private landlords so that they are no longer required to gain explicit consent from the tenant before requesting a managed payment. Nonetheless, in 2018, whilst 33 per cent of social tenants in receipt of UC had their rent support paid directly to their landlord, this was the case for just five per cent of private tenants. This prompted the Secretary of State in January 2019 to signal that she would further facilitate direct payments to landlords. Without making clear what changes will be made, she promised to “...consider what else to do, because I am

determined to help keep people in their homes.”¹⁶⁸

Benefit caps

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

However, since November 2016 the benefit cap for out of work claimants has been lowered to £13,400 a year for single people and £20,000 for all other households, except in London where it has been lowered to £15,410 and £23,000 respectively.

These lower limits have significantly increased the numbers of households impacted by the cap. The DWP impact assessment estimated that 88,000 households containing 244,000 children would be affected across GB.¹⁶⁹ This is 64,000 more households and 161,000 more children than the earlier cap.¹⁷⁰ The original cap mostly affected those in higher rental areas and those with larger families. The effect of the lower cap is to reduce further benefits payable to those households already affected and to extend it to people living in areas with lower rents and to people with fewer children. The IFS warned that the cap would cause extreme problems for families affected by it as its effect would be experienced immediately.¹⁷¹ Under legacy benefits, the cap is enacted by reducing HB and therefore DHP could be claimed to cover the

162 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>

163 Alston, P. (2018) *Statement on Visit to the United Kingdom, by Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights*. Online: United Nations. https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

164 BBC (2018) *Poverty causing ‘misery’ in UK, and ministers are in denial, says UN official*. 16 November. Online: BBC News. <https://www.bbc.co.uk/news/uk-46236642>

165 Walker, P. (2018) *Amber Rudd condemns UN poverty report in combative return to frontline politics*. Online: The Guardian. <https://www.theguardian.com/politics/2018/nov/19/amber-rudd-un-poverty-report-return-frontline-politics>

166 Department for Work and Pensions (2012) *Universal Credit Evaluation Framework*. London: DWP. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/180879/universal-credit-evaluation-framework.pdf

167 Gov.UK (n.d) *Universal Credit: How You’re Paid*. Online: Gov.UK. <https://www.gov.uk/universal-credit/how-youre-paid>

168 Rudd, A. (2019) *Speech: Universal Credit: personal welfare*. Online: Gov.uk. <https://www.gov.uk/government/speeches/universal-credit-personal-welfare>

169 Department for Work and Pensions (2016) *Welfare Reform and Work Act: Impact Assessment for the benefit cap*. Online: DWP. <https://www.gov.uk/government/publications/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap>

170 Ibid.

171 Hood, A. and Joyce, R. (2016) *A tighter benefit cap*. IFS Observations, 6 November. Online: IFS. <https://www.ifs.org.uk/publications/8717>

Table 3.2 Benefit Cap by English standard region in 2015 and 2018 and percentage of lone parents

Region	Total household nos. capped Aug 2015	of which single with dependent children	% of total	Total household nos. capped Aug 2018	of which single with dependent children	% of total
London	10,377	7,002	67%	13,757	8,613	63%
South East	2,419	1,726	71%	7,252	5,858	81%
West Midlands	1,947	1,031	53%	6,675	4,835	72%
North West	1,684	1,023	61%	5,648	4,263	75%
Yorkshire and the Humber	1,315	790	61%	4,629	3,472	75%
East of England	1,539	1,034	67%	5,032	4,019	80%
South West	1,012	680	67%	3,197	2,533	79%
East Midlands	898	546	61%	3,125	2,419	77%
North East	647	367	57%	2,419	1,787	74%
Total	21,838	14,199	65%	51,734	37,799	73%

Table authors' calculation created from DWP StatXplore data - benefit cap by region at 2015 and 2018 and by claimant type and amount capped. Total numbers in both years are shown in the white columns and those connected with lone parents including percentage increase in their numbers are highlighted in grey.

reduction. In the first instance Housing Costs payments are also affected under UC and therefore DHP may be claimed in these circumstances. However, because the whole award of UC can be reduced, including the standard allowance and sums paid for children, DHP can only mitigate losses in the Housing Costs element. This also means where managed payments are in place (rent direct to landlords discussed above) the cap would affect the standard allowance first rather than the Housing Cost payment and no DHP could be claimed. The point was made in a recent Work and Pensions Committee¹⁷² report that this is having a detrimental effect on claimants' abilities to pay for rent,

172 House of Commons Work and Pensions Committee (2019) *The benefit cap: Twenty fourth Report of Session 2017-19*. London: House of Commons. pp.31-36. <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1477/1477.pdf>

173 Ibid.

exacerbating the consequent risk of arrears and potential homelessness. The committee also pointed out that those affected by the benefit cap who would be eligible for DHP might still see their standard allowance capped, and this means their ability to cover "priorities" such as top up of rent would be impacted, leading to rent arrears and the risk of homelessness.¹⁷³

Table 3.2 uses August 2015 and August 2018 as a relevant reference points as both represent two years following the implementation of the original and revised caps respectively.

The total number of households whose benefits have been capped

more than doubled between August 2015 and August 2018, from 21,838 households to 51,734. Lone parents made up more than half of households affected in August 2015 in every region ranging from 53 per cent in the West Midlands to 71 per cent in the South East. They represented almost two-thirds of the total across England as a whole. The representation of lone parents in the total had risen further by August 2018 when they represented 73 per cent of the total ranging from 63 per cent in London to 81 per cent in the South East. CPAG has noted that lone parents are the household type least able to avoid the benefits cap by moving into work or increasing hours to avoid the cap.¹⁷⁴

Most cases of benefits being capped were in the range up to £50 per week, with one-third being up to £25 and 23 per cent between £25 and £50. However, 16 per cent were between £50 per week and £75 per week and almost 10 per cent between £75 and £100 per week. Four per cent of cases involved amounts over £100 per week. London accounts for the greatest proportion of cases of any region in each band. For example, the capital accounts for 26 per cent of cases in the £100-£150 category, followed by the South East with 17 per cent. London accounts for almost half (49%) of cases in the £150-200 category, with the South East accounting for 18 per cent.

Two-child limit

The two-child limit, which covers both UC and Child Tax Credit came into force in April 2017, is yet another controversial policy which is estimated to affect one in six children in GB.¹⁷⁵ Originally, the Two Child Limit meant that Child Tax Credit or UC for a third (or more) child would not be payable unless the child was born before 6 April 2017 or for UC, they were on the claim before 6 April 2017 or a Disabled Child element is payable. In January 2019, Amber Rudd¹⁷⁶ announced that the element of retrospective application for those moving on to UC was to be scrapped. From February, the two-child limit will not apply to families applying for UC who had their children before the cap was announced. Otherwise the exceptions that apply to other households effected include where the child has been adopted or where Guardians Allowance is received. Some other exemptions are highly contentious, or even notorious in the case of the "rape clause" (with 160 claimants in England exempted because of this clause as of April 2018).¹⁷⁷ Across GB during 2017-2018, 71,000 low income families (with 200,000 children)¹⁷⁸ lost up to £2,800 each last year.¹⁷⁹ Most of those households affected (59%) were in work.¹⁸⁰ IFS argue that although the retrospective element of this policy has been scrapped, the long-run impact of the policy is expected to remain the same.¹⁸¹

174 Child Poverty Action Group (2018) *Revised Benefit Cap*. Online: CPAG. <http://www.cpag.org.uk/content/revise-benefit-cap-cpag-ds-and-others-v-secretary-state-work-and-pensions>

175 Child Poverty Action Group (2018) *71,000 Families Hit by the Two-Child Limit Policy in its First Year*. Online: CPAG. <http://www.cpag.org.uk/content/71000-families-hit-two-child-limit-policy-its-first-year>

176 Rudd, A. (2019) *Speech: Universal Credit: personal welfare*. Online: Gov.uk. <https://www.gov.uk/government/speeches/universal-credit-personal-welfare>

177 HM Revenue and Customs & Department for Work and Pensions (2018) *Child Tax Credit and Universal Credit claimants: Statistics related to the policy to provide support for a maximum of two children*. London: An Official Statistics Publication. <https://www.gov.uk/government/statistics/child-tax-credit-and-universal-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2018> (Table 6)(Table 6)

178 HM Revenue and Customs & Department for Work and Pensions (2018) *Child Tax Credit and Universal Credit claimants: Statistics related to the policy to provide support for a maximum of two children*. London: An Official Statistics Publication.

179 Child Poverty Action Group (2017) *Broken promises: What has happened to support for low income working families under universal credit?* London: CPAG

180 Ibid.

181 Waters, T. (2019) *Reform to two-child limit addresses retrospection, but does not change long-run cut to support for big families*. Online: Institute for Fiscal Studies. <https://www.ifs.org.uk/publications/13804>

Separate figures for England are not available on DWP's StatXplore database but separate point in time figures are available via HMRC/DWP¹⁸² In England, 60,800 households were affected by the two child limit in April 2018, and a further 2,450 would have been affected had they not been granted an exemption.¹⁸³ CPAG's "Early Warning System" found examples of households affected by the cap include: people who could "afford" to have another baby when it was conceived, but whose circumstances subsequently changed; people who unaware of the cap; and people whose children were conceived without consent, but who do not qualify under the current exemption.¹⁸⁴

Discretionary Housing Payments and the "Bedroom Tax"

Discretionary Housing Payments (DHPs), were established by the UK Government as a vehicle to provide temporary assistance to people requiring extra support with their housing costs. After 2010 DHPs became the principal vehicle through which HB cuts could be mitigated. In 2017/18 the allocation to LAs across England and Wales amounted to £166.5 million, but this was reduced in the 2018/19 allocation to £154 million.¹⁸⁵ These sums consist of core funds and funds related to different aspects of welfare reform such as Bedroom Tax which amounts to £54 million of 18/19 allocation. Birmingham in the West Midlands

region has the greatest allocation of DHP at £4,781,876.¹⁸⁶ LAs in England and Wales can top up their government contribution from their own funds by an additional 150 per cent.

The DWP gathers statistics on both the allocation and use of DHP from all LAs across England. In the full year from April 2017 to March 2018,¹⁸⁷ 17 LAs spent their full allocation, 85 councils overspent their allocation by just over £6 million, but this sum was outweighed by the 223 councils which underspent their allocation by just over £8.5 million.

The Bedroom Tax is expensive to mitigate because it affects around one in five social tenants in receipt of HB, representing some 270,198 households in England alone (October 2018).¹⁸⁸ The vast majority (82%) of those affected by the bedroom tax have only one spare bedroom, with those with two or more bedrooms being 18 per cent of the total (with 3% having their benefit reduced but the bedroom numbers are unknown). The greatest numbers affected in the one bedroom category were from the North West of England at 39,033 followed by York and the Humber at 28,883. In the two bed and more category, the North West again is top with 9,853 but this time followed by London at 6,855.¹⁸⁹ Although beneficiaries of Bedroom Tax mitigation are undoubtedly living on low incomes and are frequently

vulnerable (for example, 80% of households affected have someone living with a disability living in the house), it seems inevitable that other people affected by HB cuts, which predominantly affect private tenants, have received less priority.

Benefit conditionality and sanctions

Although the modern sanctions regime was introduced in 2013, it is subject to some changes as claimants migrate onto UC.

Webster¹⁹⁰ notes that sanctions under UC are more severe than under legacy benefits for reasons which include their being run consecutively (rather than concurrently), the repayment of hardship payments effectively extending the period of the sanction by 2.5 times their nominal length, and the abolition of the 80 per cent hardship rate for "vulnerable" claimants. Further the effect of merging benefits that were previously not subject to sanctions into UC means that these elements can be reduced in order to exact the full amount of the sanction. Webster notes that this has the effect of "making children suffer and creating the risk of eviction".¹⁹¹

While there has been a substantial fall in levels of benefit sanctioning of Jobseeker's Allowance (JSA) claimants since the historic peak in 2013,¹⁹² UC has seen a further tightening of conditionality in several respects,

prompting concerns that another spike in sanctions may occur.¹⁹³ Early evidence using official statistics shows UC sanctions being applied at a much higher rate than JSA sanctions, across all age groups, and the total number rising so rapidly that, by 2017, they already outnumbered total JSA sanctions.¹⁹⁴ Webster notes that whereas sanctions before challenge figures for JSA and ESA were about 20 per cent and 40 per cent higher than after challenge rates, the difference for UC is only 5 per cent.¹⁹⁵ It is not yet clear why sanctioning appears to be higher in UC.

Sanctions affect a disproportionate number of younger claimants. For example, October 2018, of the 4,499 UC claimants to be sanctioned that month, almost one-third (31%) were aged 20-24.¹⁹⁶ This is almost double the representation of this age group (16%) among the claimant population as a whole.¹⁹⁷ Claimants aged under 30, accounted for the majority (52%) of sanctions cases.

Crisis-funded research published in 2015 evidenced the very high sanctions rates experienced by homeless service users, indicating that 39 per cent of homeless survey respondents subject to conditionality (as Jobseekers Allowance of Employment and Support Allowance Work-Related Activity Group recipients) had received a sanction in the past year.¹⁹⁸ Data published in

182 HM Revenue and Customs & Department for Work and Pensions (2018) *Child Tax Credit and Universal Credit claimants: Statistics related to the policy to provide support for a maximum of two children*. London: An Official Statistics Publication. <https://www.gov.uk/government/statistics/child-tax-credit-and-universal-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2018>

183 Ibid. (Table 5 and Table 6)

184 Child Poverty Action Group (2018) *A report on the two-child limit*. Online: CPAG. <http://www.cpag.org.uk/sites/default/files/uploads/CPAG-Scot-EWS-two%20child%20limit-Jul2018.pdf>

185 Department for Work and Pensions (2018) *Housing Benefit Circular HB S1/2018: '2018-19 Discretionary Housing Payments government contribution for English and Welsh local authorities'*. London: DWP. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677103/s1-2018.pdf

186 Ibid.

187 Department for Work and Pensions (2018) *Use of Discretionary Housing Payments, England and Wales - Analysis of End of Year Returns from Local Authorities Official Statistics*. London: DWP. <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018>

188 DWP StatXplore National - Regional - Admin LA by Month and Number of Spare Rooms

189 Ibid.

190 Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG. <http://www.cpag.org.uk/david-webster>

191 Ibid., p. 4

192 National Audit Office (2016) *Benefit Sanctions: A Report by the Comptroller and Auditor General*. London: National Audit Office.

193 Webster, D. (2017) *Briefing: benefit sanctions statistics: JSA, ESA, Universal Credit and Income Support for lone parents, August 2017*. Glasgow: University of Glasgow.

194 Bramley, G., Sosenko, F., & Fitzpatrick, S. (2018) *Destitution in the UK 2018 - technical report*. Edinburgh: Heriot-Watt University.

195 Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG. <http://www.cpag.org.uk/david-webster>

196 This number represents the figure after review, reconsideration and appeals so those subject to loss in income at any point may be higher. See: Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG p.5 <http://www.cpag.org.uk/sites/default/files/uploads/18-05%20Sanctions%20Stats%20Briefing%20-%20D.Webster.docx>

197 Ibid.

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

response to a Freedom of Information request in 2016 indicates that the comparable all-claimant sanction rate for the same period was 11 per cent,¹⁹⁹ suggesting that homeless service users are four times more likely to be sanctioned than claimants overall. Though discretionary “easements” were introduced in 2014, enabling Jobcentre Plus advisers to suspend work-related activity requirements for homeless individuals experiencing a “domestic emergency”, there is no data available on the use of such easements.

Local Welfare Assistance Funds

There have been concerns about the adequacy of emergency welfare provision since the UK Government’s decision to abolish the discretionary Social Fund from April 2013, as part of its “localisation” agenda. (The regulated fund which includes maternity, funeral and winter fuel payments continues, and is still administered through DWP in England).

Subsequently, LAs in England have since been able, but not required, to establish Local Welfare Assistance schemes (LWA). Initially, funding for these local schemes was identified, but not ring fenced, within the revenue support grant from central government to LAs.²⁰⁰ In 2015/16, £129.6 million was initially identified as intended for LWA provision, but following

consultation with LAs a further £74 million was made available to help LAs manage pressures caused by the localisation of welfare assistance and health and social care.²⁰¹ The same sum of £129.6 million was identified in the 2016/17 financial settlement, but with no repeat of the additional £74 million funding. In 2017/18, this budget line disappeared altogether in the local government funding settlement.²⁰²

Concerns about the adequacy and coverage of these schemes have been raised by two 2016 investigations of local welfare assistance, by the House of Commons Work and Pensions Committee, and by the National Audit Office (NAO).²⁰³ A survey of the users of crisis services, conducted as a part of a major study of *Destitution in the UK*, indicated a significant fall between 2015 and 2017 in those reporting in-kind help from Local Welfare Assistance Funds (-28 percentage points). These findings are in keeping with other evidence that these funds are being significantly reduced or closed down across many parts of England (NAO, 2016b; Gibbons, 2017).

In this year’s Homelessness Monitor LA survey, only around a third of respondents (30%) reported that the LWA scheme in their area played either a “very” or “somewhat” significant

role in preventing or alleviating homelessness (see Appendix 2, Table 10). Responses varied hugely between regions: 50 per cent of London Boroughs reported that their LWA scheme was significant in their efforts to address homelessness, as did 57 per cent of Northern LAs, but only 12 per cent of LAs in the Midlands. In all, 18 per cent of responding LAs reported that they had no LWA scheme at all in their area any more, ranging from 38 per cent of LAs in the Midlands to 0 per cent of LAs in the North.

In a number of areas, the LWA scheme was described as being useful in helping to prevent or resolve homelessness in the following terms:

“[LWA provides] rent in advance, rent arrears, food vouchers, accessing furniture and one-off payments is a very significant role that they play and we work very closely with the team.”
(LA respondent, the South, 2018)

“It’s useful to secure basic household items for new tenants.”
(LA respondent, the North, 2018)

“...it is really important in helping people set up home when we have found them accommodation and I guess by default this does contribute to the sustainability of any accommodation.”
(LA respondent, the South, 2018)

Others saw their LWA scheme as of more limited value:

“Our scheme provides a few emergency food parcels and some re-use furniture and white goods.”
(LA respondent, the Midlands, 2018)

“The scheme provides provision of other items such as food, white goods and whilst homeless households can access the scheme there is no direct link to the prevention of homelessness.”
(LA respondent, the North, 2018)

“Very tightly controlled budget - wish we had control of it but we don’t - and limited amount so it is used sparingly.”
(LA respondent, the South, 2018)

Finally, as indicated above, LWA have been closed altogether in some areas, with this scenario especially common in the the Midlands:

“[Name of County Council] decided to abandon this scheme. Seven local authorities are affected by this decision. There has been no replacement.”
(LA respondent, the Midlands, 2018)

“No longer available in our Borough as the County Council ended the scheme”.
(LA respondent, the Midlands, 2018)

Expected homelessness impacts of ongoing welfare reform

The next wave of welfare reforms due to come into force between now and 2020 were widely expected to further exacerbate homelessness by our respondent LAs. The full roll out of UC is the subject of greatest concern, with nearly two thirds of LAs anticipating a “significant” homelessness increase as a result, and a further 25 per cent expected some level of increase (see Appendix 2, Table 9).

Aside from anxieties on UC, most LAs anticipated that homelessness would “significantly” increase due to then freeze in LHA rates (53%) and other working age benefits (51%), with almost as many LAs (47%) reporting likewise for the lowered benefit cap. With respect to each of these measures, only around one in ten LAs did not expect them to exacerbate homelessness in their area at all (see Appendix 2, Table 9).

Regarding UC, it is important to acknowledge here that a significant number of authorities had already been exposed to UC full roll-out at the

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

200 National Audit Office (2016) *Local government report by the Comptroller and Auditor General: Local government - Local welfare provision*. Online: NAO. p16. <https://www.nao.org.uk/wp-content/uploads/2016/01/Local-welfare-provision.pdf> p.16

201 Gibbons, D. (2017) *The Decline of Crisis and Community Care Support in England: Why A New Approach is Needed*. The Centre for Responsible Credit. <https://www.responsible-credit.org.uk/wp-content/uploads/2017/10/Decline-in-Local-Welfare-Schemes-final.pdf>

202 Ibid., p 18

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

time of the survey. One respondent thus noted that:

"We are already on full UC roll out. It hasn't caused as many problems as we anticipated."
(LA respondent, the North, 2018)

At the same time, other participants with experience of this scenario reported more problematic effects:

"We have been a Universal Credit Area for the last 24 months and we can testify that homelessness increased due to the introduction of the Welfare Reforms and the introduction of Universal Credit."
(LA respondent, London, 2018)

Other comments on the prospect of full UC roll out and its possible homelessness consequences included:

"Roll out of UC will increase evictions from the private rented sector as landlords are unwilling to use the new system."
(LA respondent, the South, 2018)

"UC is a car wreck, any PRS operating in the lower echelons of the market is quickly being withdrawn by massive price increases to prevent UC and legacy HB cases from accessing it. Hence social housing is now no longer AN option it's now the ONLY option - there is now a complete residualisation in the market."
(LA respondent, the Midlands, 2018)

"As for UC, any scheme that expects people to survive with no income for at least 6 [now 5] weeks beggars belief and has no place in a civilized society."
(LA respondent, the South, 2018)

Concerns about LHA restrictions imposed to date and the ongoing freeze included:

"[Despite being] a relatively low house price/ rental area we are

finding more and more that the LHA will not cover the market rents, thus restricting access to the PRS."
(LA respondent, the North, 2018)

"LHA rates mis-match to market rates are massive (and growing) and present the biggest challenge [on homelessness] by far locally."
(LA respondent, the South, 2018)

"...the LHA freeze has been a huge factor in the increase in homelessness, pushing families into a position where they cannot afford the private sector."
(LA respondent, the South, 2018)

3.4 Key points

- There seemed to be widespread relief amongst both key informants and LAs that central government was again taking showing some leadership on homelessness and rough sleeping, and supporting councils in a more proactive, expert way.
- For most LA survey respondents (62%) the HRA had enabled a more person-centred approach to managing homelessness. Less than a quarter (23%) said it had resulted in little positive effect.
- Many LAs saw the HRA as a necessary spur to service improvement for other councils, arguing that the Act largely endorsed their own existing "prevention-focused" ways of working. Equally, numerous councils acknowledged HRA positive impacts on organisational culture and service quality – particularly with regard to single people who may previously have received little assistance. Two-thirds (65%) of LAs saw the HRA as having positive impacts for single people.
- At the same time, opinions was somewhat divided on specific aspects of the HRA, such as and

DTR and PHPs, and there were widespread concerns about the new monitoring and record-keeping requirements embedded with the new legislation.

- As might be expected, most authorities considered the "New Burdens" funding provided alongside the HRA as inadequate in relation to mandated new duties. However, there was also an acknowledgment by key informants of the broader context of significant (other) additional resources being found for homelessness and rough sleeping in the midst ongoing austerity. That said, the multiple and seemingly uncoordinated nature of these funding streams was considered problematic, and it is clear that they go only a small way towards replacing the massive losses in mainstream LA funding since 2010.
- Three quarters of LA respondents this year's online survey (75%) considered rough sleeping a problem in their area. For nearly one council in four (23%) it was said to be a "major problem."
- The RSS and RSI were generally well received by LAs and key informants, and credited with reducing rough sleeping in the main targeted areas. Concerns focussed mainly on the need to "scale up" and sustain funding for promising initiatives to tackle rough sleeping.
- Migrant homelessness, particularly amongst EEA migrants, is "a problem" for more than half of LAs, but "a major problem" for few councils outside London. Homelessness amongst migrants presents complex policy challenges, given the paucity of options for those who are ineligible for welfare assistance, and the very different profile of some migrant rough sleepers engaged in paid (often irregular) work.
- The safety net once provided by HB, whereby incomes were protected from being taken below basic benefit levels, has now effectively ended in the bulk of the PRS across the country, with young people under 35 particularly badly affected by reduced LHA rates and the working age benefit freeze. Given that basic social security rates have only ever made the most notional allowance for housing costs, dipping into this benefit to top up housing costs may leave low-income private tenants unable to meet other essential needs if they are to avoid rent arrears and homelessness.
- The delay for claimants in receiving their first UC payment benefits is accompanied by high levels of errors in the system, and causing acute hardship and in some cases destitution. Recent concessions by Government in the design and implementation of UC 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.
- 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 who are 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 HB. Although this might be mitigated through DHPs, the scale of the losses are such that the scope for mitigation is limited.
- Only around a third of LAs reported that the LWA scheme in their area played either a "very" or "somewhat" significant role in preventing or alleviating homelessness. This

included half of LAs in London and the North, but only 12 per cent in the Midlands. In all, 18 per cent of responding LAs reported that they had no LWA 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 LAs anticipate a “significant” increase in homelessness as a result of the full roll-out of UC, with a further 25 per cent expected some level of increase. Around half of LAs likewise expect that the freeze in LHA rates and other working age benefits, and the lowered benefit cap, will significantly increase homelessness in their area.

Homelessness trends

4. Homelessness trends in England

4.1 Introduction

Preceding sections of this report have reviewed the possible homelessness implications of the post-2007 economic recession and subsequent recovery, and policy reforms instituted by post-2010 Westminster governments. This chapter assesses how far these are matched by recent homelessness statistical trends.²⁰⁴ Financial year 2009/10 is treated as the baseline for most of the trend over time analysis.²⁰⁵ The chapter also includes an assessment of the first set of published statistics associated with the new legislative regime established under the HRA, as introduced from 1 April 2018.

4.2 Rough sleeping

National trends and profile

The Autumn 2018 rough sleeper enumeration marked the first reduction in the national total for a decade – see Figure 4.1. Notwithstanding that the England-

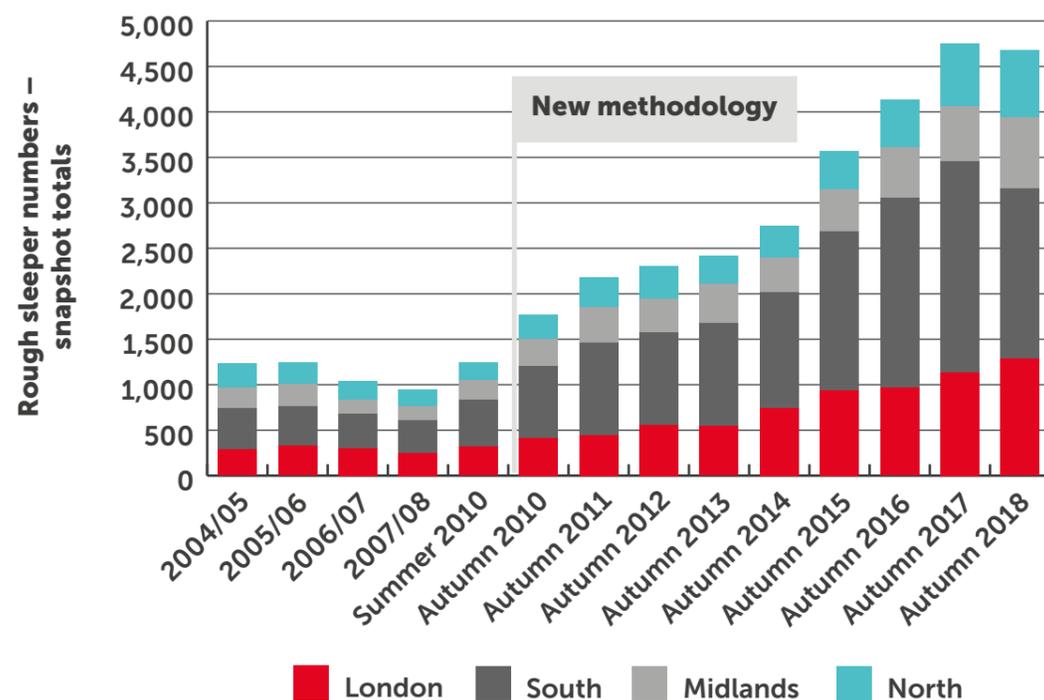
wide total remained 165 per cent higher than in 2010, it fell back by 2 per cent on 2017. At the same time, however, a drop was recorded in only one of England’s four broad regions, the (largely non-metropolitan) South. Here, recorded rough sleepers were 19 per cent fewer in number in Autumn 2018 than 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,²⁰⁶ albeit that the officially recorded level fell in the wider Manchester combined authority area.

Commenting on the 2018 statistics, MHCLG noted a greater degree of reduction in 83 LAs taking part in the Rough Sleeping Initiative (RSI) in

²⁰⁴ Analysis draws on the most up-to-date published and unpublished data available at the time of writing (Feb 2019).

²⁰⁵ This reflects the fact that 2009/10 marked the culmination of a period of falling statutory homelessness numbers, following from the pro-active ‘prevention-focused’ approach championed by the former Labour Government from 2002. The choice of the 2009/10 base date also reflects the fact that it was the last year before the current ‘austerity era’ and associated welfare reforms began.

²⁰⁶ 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.

Figure 4.1 Trends in local authority rough sleeper estimates by region, 2004-2018

Source: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns; Summer 2010 onwards – MHCLG

2018 (-19%) than the overall average reduction.²⁰⁷ As discussed in Chapter 3, several key informants, from both the statutory and voluntary sector, directly attributed these trends to the positive impact of the RSI in targeted areas (but see below).

Many developed countries rely on snapshot street counts, known in the US as "point-in-time" counts, to track trends in rough sleeping.²⁰⁸ These counts vary in their level of robustness, and the reliability of the rough sleeper enumeration data they generate is often controversial, in the UK as elsewhere, and this year was no exception.²⁰⁹ By their very nature, physical counts can never do more than provide a minimum estimate.

That said, some of our voluntary and statutory sector key informants were keen to emphasise the thoroughness with which the street counts were carried out in 2018 in particular.

These counts have greatest value as a potentially meaningful measure of changes over time. This means that statistics of this kind are ideally generated by methodologies that, while possibly non-identical across places (in this case LAs), are consistently applied within places from one year to the next. However, the latitude officially allowed to England's LAs in their choice of enumeration method means that from one set of statistics to the next there is in fact a great deal of flux in which councils

submit estimates and which return numbers based on actual counts. In 2018 a greater number of authorities submitted figures derived wholly from counts – up from 16 per cent to 23 per cent of all councils. At the same time, for another 16 per cent of all councils self-declared 'estimates' submitted in 2018 are labelled in the officially published statistics as 'informed by spotlight street counts'. Perhaps significantly, the sum of rough sleepers for councils which had made estimates in 2017 but undertook counts (or 'estimates informed by counts') in 2018 was down by nearly a fifth (18 per cent). The UK Statistics Authority has recently published a letter where they draw attention to the possible implications of this changed methodology and conclude that:

"Until MHCLG provide greater clarity, we believe MHCLG's latest rough sleeping statistics should not be used to draw firm conclusions about recent trends in rough sleeping and cannot yet support public claims about the success of the Rough Sleeping Initiative."²¹⁰

MHCLG noted in their response when this issue was raised at a Select Committee meeting in April 2019 that a review of the impact of the RSI is taking place alongside a review of the processes involved in undertaking the street counts/estimates which will be reporting later in 2019. Since 2016, MHCLG has required LAs to provide some more detailed information about rough sleepers, over and above simple counts. In 2018, by aggregating all the local returns it is estimated that some 84 per cent of rough sleepers were men while a quarter were non-UK nationals – a proportion which had increased substantially since 2017 and mainly

involved citizens of other EU nations. Thus, while rough sleepers of UK origin were estimated to have declined by 11 per cent since 2017, those originating in other EU countries had increased by 38 per cent. As noted in Chapter 3, LAs are finding it difficult to provide meaningful help for migrants from EEA countries who are not eligible for benefits because there are very few options available to support this group.

Rough sleeping in London

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.²¹¹ It should be emphasized that the CHAIN metrics are different and not directly comparable with the MHCLG statistics reported above. Unlike the national numbers, the former involve ongoing collection of data about the rough sleeping population by outreach teams who engage directly with rough sleepers nightly on the street. This is quite different from a single, point in time, snapshot count.

The latest (Q4 2018) CHAIN data appears fairly consistent with the London borough rough sleeper enumeration returns to MHCLG that also relate to late 2018. As discussed above, the latter indicated a London increase of 13 per cent as compared with the comparable returns relating to late 2017. The CHAIN statistics however indicate a larger annual increase for London – 25 per cent to Q4 2018. This followed an apparent 2016 CHAIN-enumerated rough sleeping peak – see Figure 4.2. As also indicated in the graph, this increase resulted substantially from a strong reversal of the previous decline in CEE rough sleeper numbers.²¹² Mainly due

207 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>

208 Busch-Geertsema, V, Culhane, D & Fitzpatrick, S 2016, 'Developing a global framework for conceptualising and measuring homelessness' *Habitat International*, vol. 55, pp. 124–132

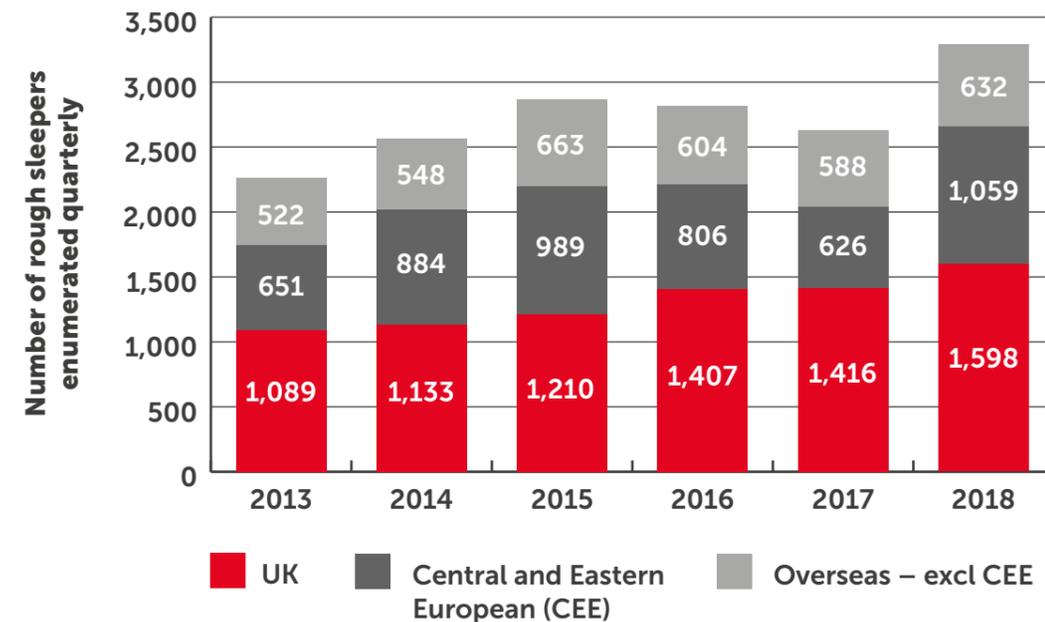
209 Greenfield, P. (2019) *English councils accused of hiding scale of homelessness crisis*. Online: The Guardian, 25 Feb. <https://www.theguardian.com/society/2019/feb/25/english-councils-accused-of-hiding-scale-of-homelessness-crisis>

210 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/>

211 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.

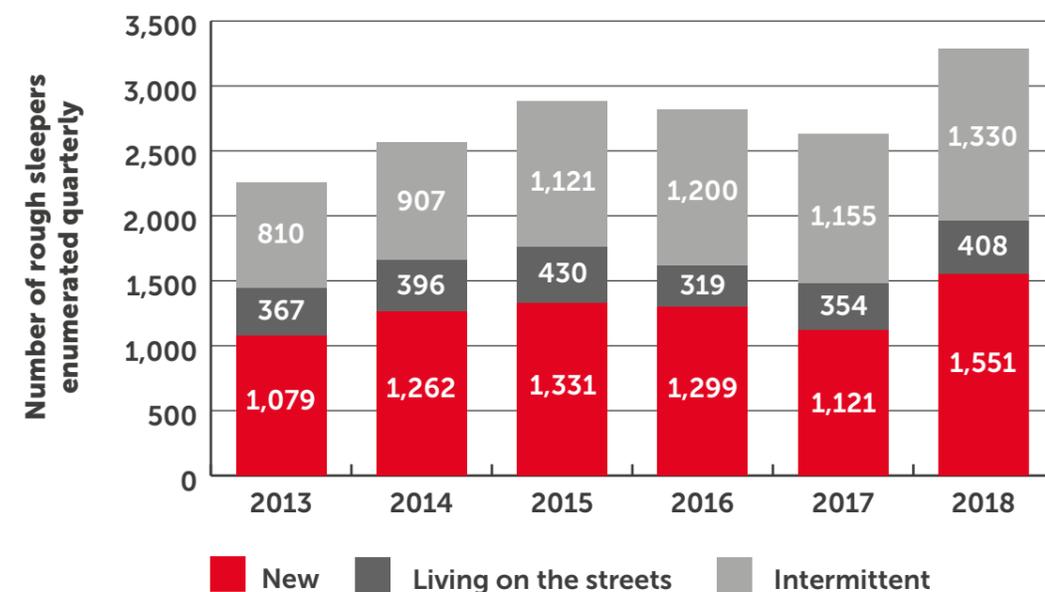
212 Possibly relevant here is discontinuation of administrative removal of EEA migrants because they were rough sleeping following this judicial review case, *R (Gureckis) v Secretary of State for the Home*

Figure 4.2 London rough sleepers enumerated Q4 2013-2018: breakdown by nationality



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

Figure 4.3 London rough sleepers enumerated Q4 2013-2018: breakdown by assessed status



Source: Greater London Authority/CHAIN "Street to Home" monitoring reports <http://data.london.gov.uk/dataset/chain-reports>

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.

On latest figures, just over one in ten of those sleeping rough in London in a given three month period are people judged (by support workers) as "living on the streets". Along with "new" and "intermittent" rough sleepers, people "living on the streets" increased in number in Q4 2018 as compared with the same quarter of 2017 – see Figure 4.3. However, the greater part of the recorded increase related to new rough sleepers, with numbers in this category growing by 38 per cent in 12 months.

In the CHAIN annual analysis enumerated London rough sleepers are also classed according to their status in terms of "flow", "stock" or "returner". In the latest (2017/18) statistics over 3,000 of the 7,500 cases logged during the year were as "stock" or "returner" cases – people on the streets in 2017/18 and also logged as rough sleepers in 2016/17 or in a previous year.²¹³ While the "flow" cohort contracted in the latest year (13% fewer logged cases than in 2016/17), and the "stock" group fell by 3 per cent, returner numbers were up by 8 per cent. This forms part of a longer-term pattern which has seen "returner" rough sleepers increase in number by 139 per cent

since 2009/10, compared with 100 per cent for "stock" individuals and 95 per cent for "flow" cases. Returners are former rough sleepers who were "off the streets" for at least one year prior to the year in which they are recorded as such. This may suggest that rough sleeper rehousing programmes are not providing desired long-term housing solutions as reliably as would be hoped, possibly linked to deep cuts in funding for floating support and other services.²¹⁴

4.3 "Core homelessness"

In a parallel research project for Crisis, Heriot-Watt has developed the concept of "Core Homelessness", which focuses on people who are the most extreme homeless situations.²¹⁵ 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 transport);²¹⁶ squatting and occupation of non-residential buildings; staying in hostels, refuges and shelters; unsuitable TA (e.g. B&B, 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.

There are significant limitations in the data sources available and methods used to routinely record some of these elements of homelessness. Therefore,

Department [2017] EWHC 3298 (Admin).

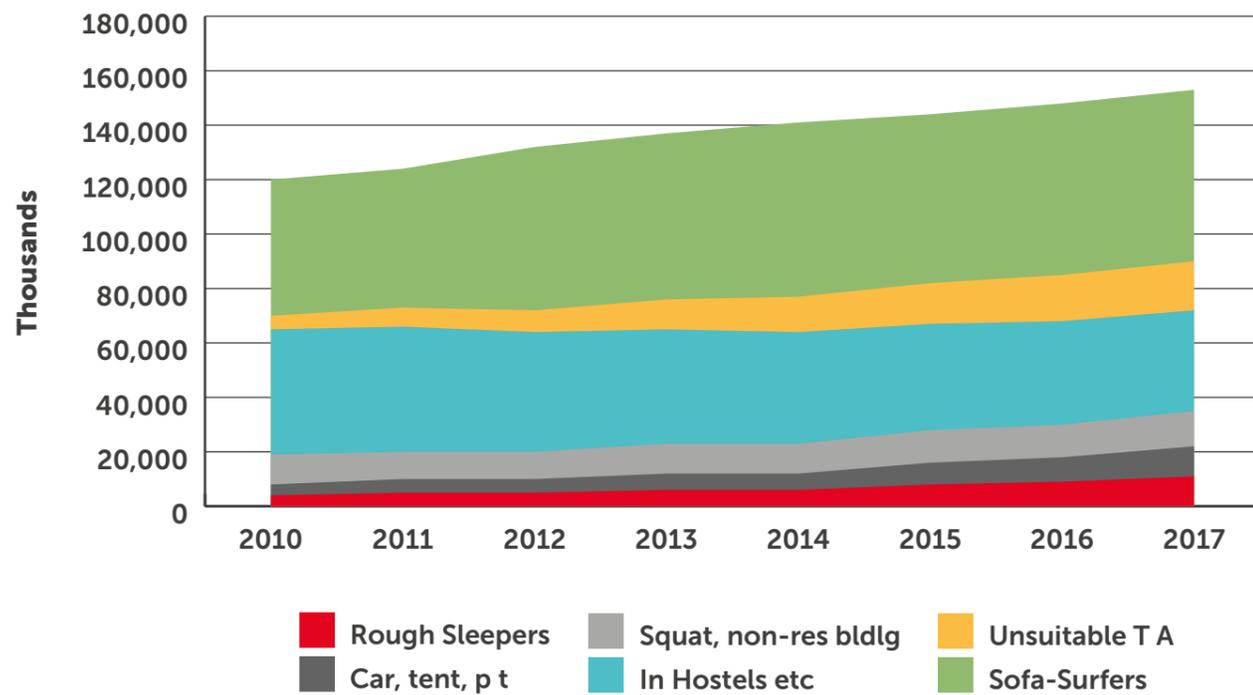
213 'Stock' cases are those involving rough sleepers enumerated in 2017/18 already logged as such in 2016/17; Flow: rough sleepers enumerated in 2017/18 but never previously seen sleeping rough; Returner: 2017/18 rough sleepers previously logged as rough sleepers before 2016/17, but not in 2016/17.

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

215 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

216 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>

Figure 4.4 Core Homelessness by Category in England, 2010-17



Note on sources: Rough Sleepers absolute numbers based on Supporting People, Multiple Exclusion Homelessness and Poverty and Social Exclusion Surveys, and British Cohort Study (as reported in 2015 Homelessness Monitor); year-to-year trends based on MHCLG published Count/Estimate statistics; Car, tent, P.t is based on relativities from A. Clarke (2016) study²¹⁷ Squat, non-res estimate is based on EHS, Crisis reports, A Clarke study, Press Reports and London Fire Brigade; Hostels based mainly on Homeless Link annual "SNAP"/SSHHP survey; Unsuitable TA based on P1E TA statistics, including B&B, other nightly let non self-contained and out of area placements (half of those in London); Sofa surfers based on EHS and "Understanding Society" (UKHLS) surveys.

to overcome these the research has had to draw on and "triangulate" a range of different sources to produce estimates, which rely in part on assumptions as well as hard data.

As seen in Figure 4.4, 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 rate of overall increase has been fairly steady in this period. However, different components have shown contrasting

trends. Hostels etc. has declined by nearly 20 per cent during this period, as funding restrictions have reduced capacity,²¹⁸ rough sleeping and related categories have increased quite strongly, as reflected in official statistics (165% increase since 2010). The fastest-growing component over most of this period was Unsuitable TA (260% increase), reflecting the growing pressure on LAs as increased demand has faced static or falling supply of social lettings and increasing difficulty using private renting (see Chapter 2).

217 Clarke, A. (2016) 'The prevalence of rough sleeping and sofa-surfing amongst young people in the UK', *Cogitatio: Social Inclusion* 4:4, pp.60-72.

218 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.

The largest category of core homelessness is sofa surfing, and this has grown by 26 per cent.

4.4 Statutory homelessness

The term "statutory homelessness" refers to LA assessments of applicants seeking help with housing due to imminent loss of accommodation or actual "rooflessness", formally processed under the HRA 2017 (until 3 April 2018, the relevant legislation being the Housing Act 1996).

In this section we first review evidence from published statistics and from LA survey returns as regards recent changes in the overall incidence of homelessness. Next, drawing on official data for the period to 2017/18, on cohort profile statistics covering HRA-framed activity in Q1 2018/19 and on LA survey returns, we progress through sections covering:

- Regional homelessness trends

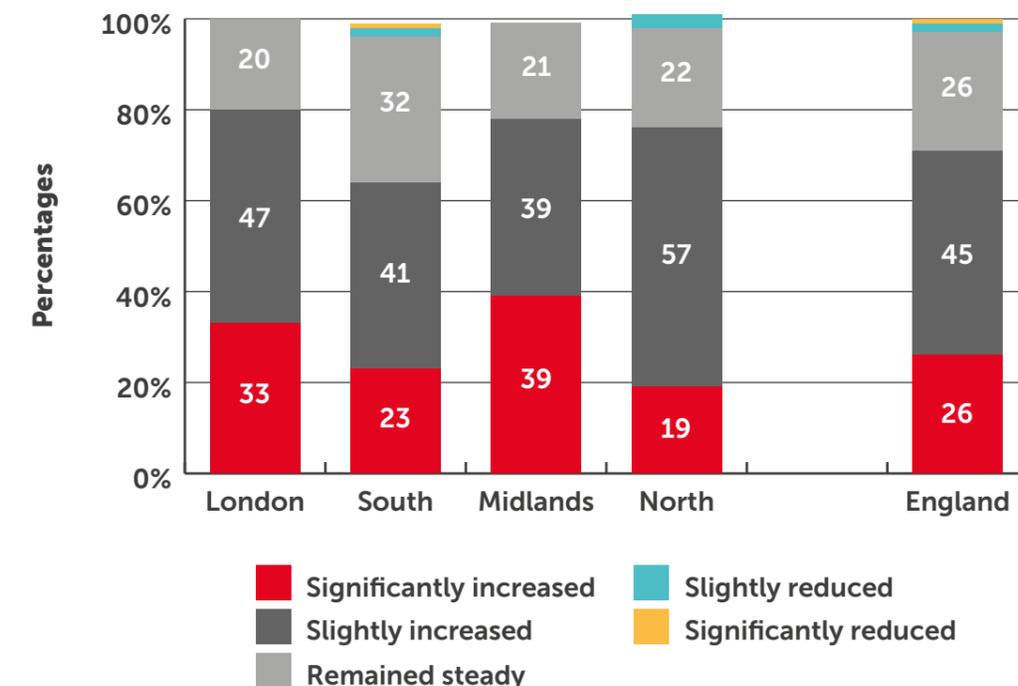
- Homelessness caseload profile
- Homelessness causes
- The use of TA
- LA homelessness prevention and relief activity to 2017/18

Finally, we analyse LA action under the HRA regime, as recorded by the first published (experimental) statistics which reflect the structure of the new legal framework.

**Recent trends in statutory homelessness: overall scale
Local authority interpretations of recent change in homelessness demand**

As shown in Figure 4.5, 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, however, when asked

Figure 4.5 Perceived change in overall homelessness "expressed demand" in year to Sept 2018



Source: LA survey. Note: responses to question: Has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year? Please note due to rounding some columns do not add up to 100

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. Because half of this period (since April 2018) coincides with the early implementation of the HRA 2017 (henceforth HRA), this is significant (see Chapter 3 and below).

Among respondents reporting recent increases, many referred to HRA effects. For a number it was the only – or the main – explanatory factor:

“...we have seen a 50 per cent increase in the number of single people and childless couple ... this is a direct impact of the HRA.”
(LA respondent, London, 2018)

“The HRA has resulted in more than double the number of people coming through our service for housing advice.”
(LA respondent, London, 2018)

“All to do with the HRA 2017. From March to July there was a 256 per cent increase in applications”.
(LA respondent, the South, 2018)

However, a few respondents disagreed. One perspective was that the HRA’s impact will depend on the nature of the service previously being provided. Thus:

“Homelessness has been steadily rising anyway so may be unrelated to HRA. In [name of authority] nothing much has changed as we were already working in a prevention focused way so I think on balance [recently rising demand is] not HRA-related.”
(LA respondent, the North, 2018)

Similarly, some argued that any “expressed demand” impact arising from the HRA needed to be seen within the context of longer-term trends which were more significant, or at least as significant, as the HRA:

“We have seen...approximately 20 per cent increase in ... 2018/19 compared to 17/18. A major reason for this is welfare reform / benefit cap – fewer households being able to afford private rents in an area where these are prohibitively high. The HRA is also likely to have led to an increase in approaches, both from households ... affected and due to an increase in referrals from duty to refer agencies.”
(LA respondent, the South, 2018)

“HRA is slightly a contributory factor... however, the perfect storm of welfare reform and demand within private rented sector are bigger factors.”
(LA respondent, the South, 2018)

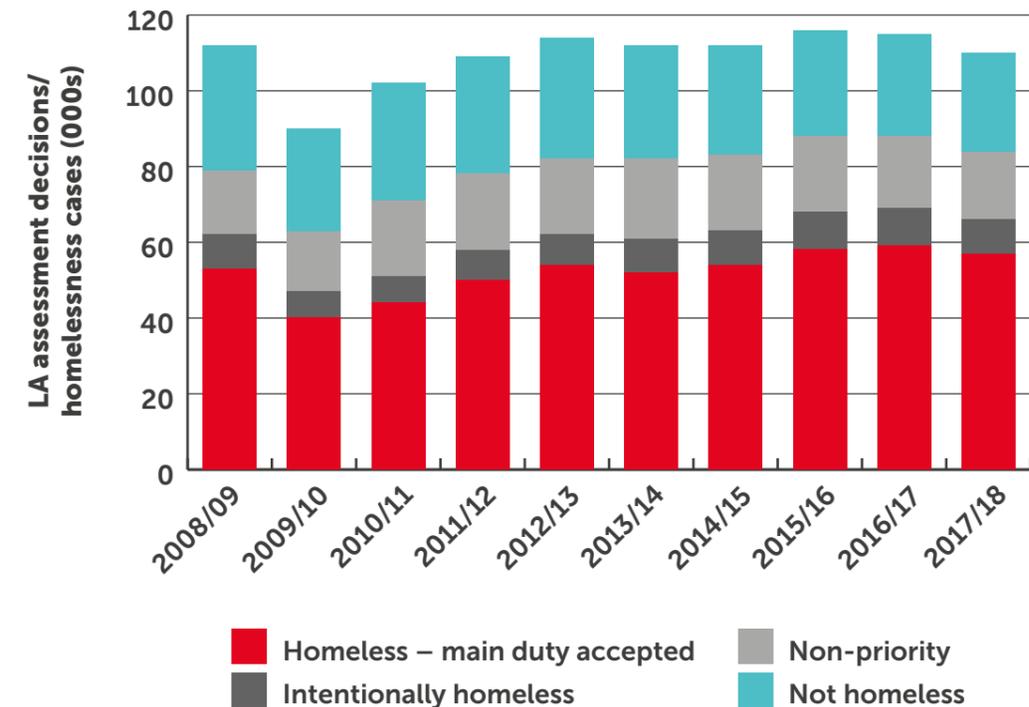
Finally, in explaining the perceived increase in demand affecting their area, a number of survey participants referred exclusively to non-HRA factors:

“...this has been an upward trend for a number of years...we think current drivers are a combination of pressure on housing availability compounded by high numbers of asylum dispersal and inward migration from out of borough including households placed in the borough by other authorities. A higher proportion of households with complex needs ... are no longer ...finding support from other services.”
(LA respondent, the North, 2018)

“We are getting more and more customers who working but struggling due to the levels of rents being charged in the private sector.”
(LA respondent, the Midlands, 2018)

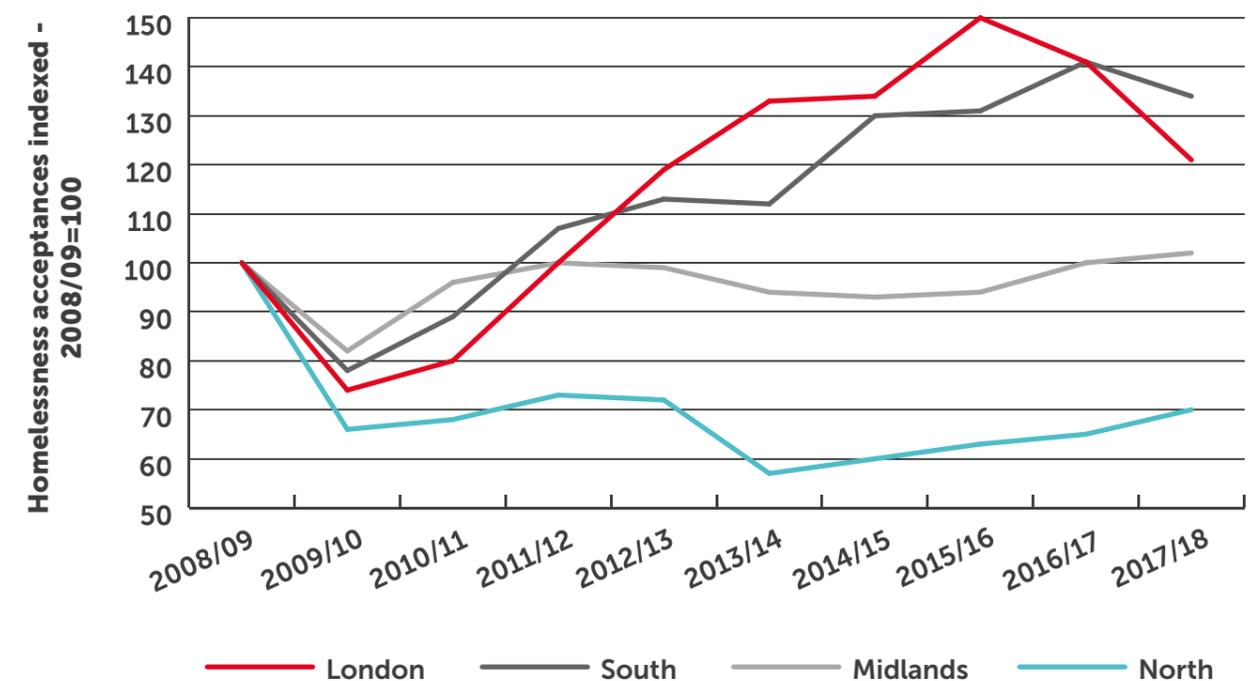
Linked to this last quotation, research published by Shelter in summer 2018 indicated strikingly that more than half (55%) of all families in TA in November 2017 contained at least one adult

Figure 4.6 Statutory homelessness assessment decisions, 2008/09-2017/18



Source: MHCLG statutory homelessness statistics

Figure 4.7 Homelessness acceptances, 2008/09-2017/18: trends at broad region level – indexed



Source: MHCLG statutory homelessness statistics

in work.²¹⁹ However, the analysis also showed that the proportion of “working” families in TA varied from 60 per cent in London to 9 per cent in Yorks and Humber, though this proportion has been rising over time in almost all areas. It should be borne in mind that the “snapshot” nature of this analysis will tend to emphasise the position in London, which accounts for two-thirds of all TA placements at any one point in time (see below), in large part because TA stays in the capital tend to be much longer than elsewhere. The proportion of all households moving through TA in England over the course of a year and containing family members in work during their placement is likely to be substantially less than half.

Statistical trend to 2017/18

Nationally, 2017/18 saw a small drop in the recorded statutory homelessness caseload, as reflected by the total number of formal LA assessment

decisions and, within that, “homeless – main duty accepted” cases (see Figure 4.6). 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.

Regional trends in statutory homelessness

As calibrated via “full duty acceptances” under the pre-HRA regime, the period from 2009/10 saw major inter-regional divergence in the changing scale of homelessness. As shown in Figure 4.7, rising numbers during this period were recorded mainly in London and the South. Even in 2017/18, homelessness in the North remained well below its 2008/09 level. 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 shown in Figure 4.7 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 HRA framework, and that such work was more advanced in some regions than others – thereby bringing forward the reduction in main duty numbers subsequently seen across the country.²²⁰ With these considerations in mind it might be wise to avoid reading too much into the latest year’s regional breakdown as shown here.

The changing nature of homelessness demand

Almost half of the LAs responding in our online survey (48%) perceived that there had been notable change in the profile of people seeking housing options assistance during the past year. As shown in Figure 4.8, this was fairly consistent across the four broad regions of England.

Respondents’ elaborations on their answers on the changing profile of the homelessness caseload were revealing. A number of these referred to rising representation of single people; perceived as directly related to the:

“...increase in single people who know they are entitled to advice without any priority need.”
(LA respondent, the South, 2018)

“...a markedly higher number of single people approaching the service compared to previous years, which we attribute entirely to the HRA.”

(LA respondent, the South, 2018)

However, a much larger number of respondents highlighted rising numbers of single people with mental health problems and/or other issues termed “complex needs”:

“The number of people with complex, multiple needs (physical, mental, substance misuse) who approach for assistance / are referred by services has steadily increased over a the last several years.”

(LA respondent, the South, 2018)

“...more people with complex needs in terms of rough sleeping substance misuse, offending and mental health.”

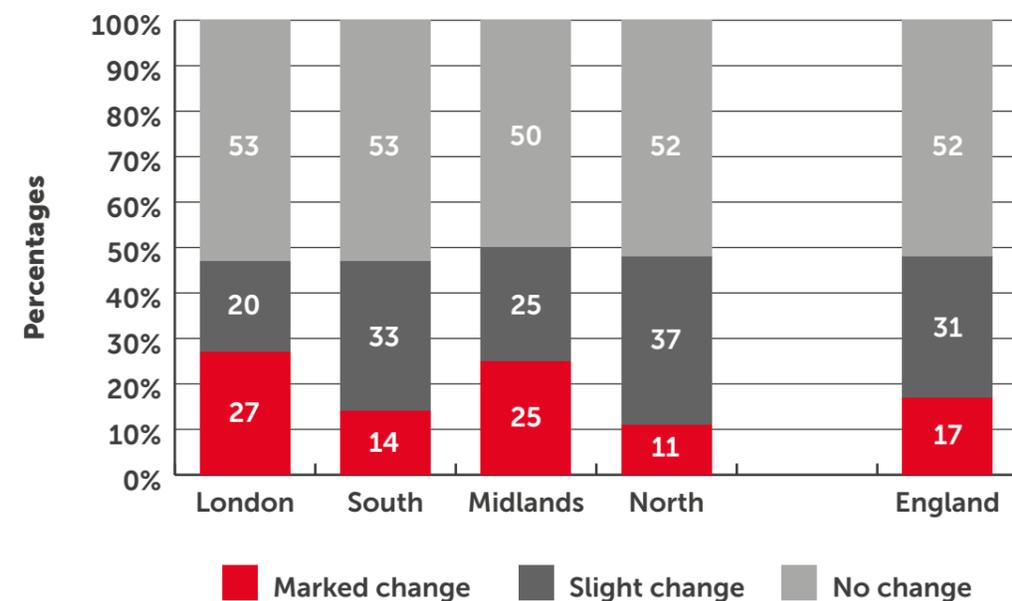
(LA respondent, the North, 2018)

Many believed this development directly attributable to reductions in social services and/or health provision in their locality:²²¹

“Increase in the number of very chaotic cases, with social care needs and multiple complex needs. This is ... appears to be to do with cuts in adult social care funding.”
(LA respondent, the South, 2018)

“More applicants with complex needs who do not meet the threshold for [mental health] or Adult Social Care services. Also decommissioning of key floating support services.”
(LA respondent, the Midlands, 2018)

Figure 4.8 Local authority perceptions regarding changes in the housing options service caseload profile over the previous year



Source: LA survey

²¹⁹ Shelter (2018) *Briefing: In work, but out of a home*. Online: Shelter. https://england.shelter.org.uk/_data/assets/pdf_file/0004/1545412/2018_07_19_Working_Homelessness_Briefing.pdf

²²⁰ MHCLG, 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

²²¹ Thunder, J. & Rose, C.B. (2019) *Local Authority Spending on Homelessness: Understanding Recent Trends and their Impact*. St Mungo’s and Homeless Link.

“We are getting an increasing amount of complex singles with a multitude of issues such as mental health, ex offending, drugs and alcohol. Due to local cuts in support services they are more chaotic and difficult to rehouse [without] the right support in place.”

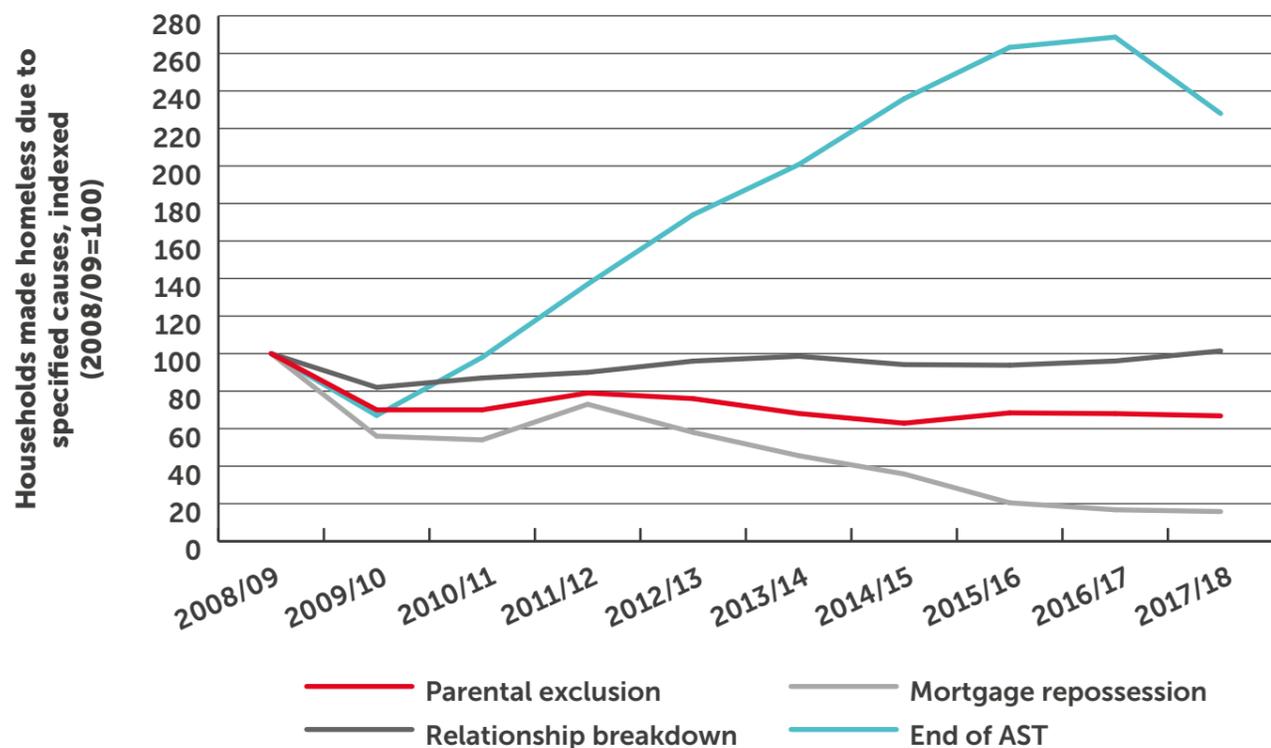
(LA respondent, the South, 2018)

While the lead-in question on the changing profile of homelessness specifically referred to differences seen during the past year, the above testimonies make clear that many respondents perceived recent shifts as a continuation of longer-term trends rather than purely recent phenomena – e.g. as triggered by the new legislation.

Immediate causes of homelessness

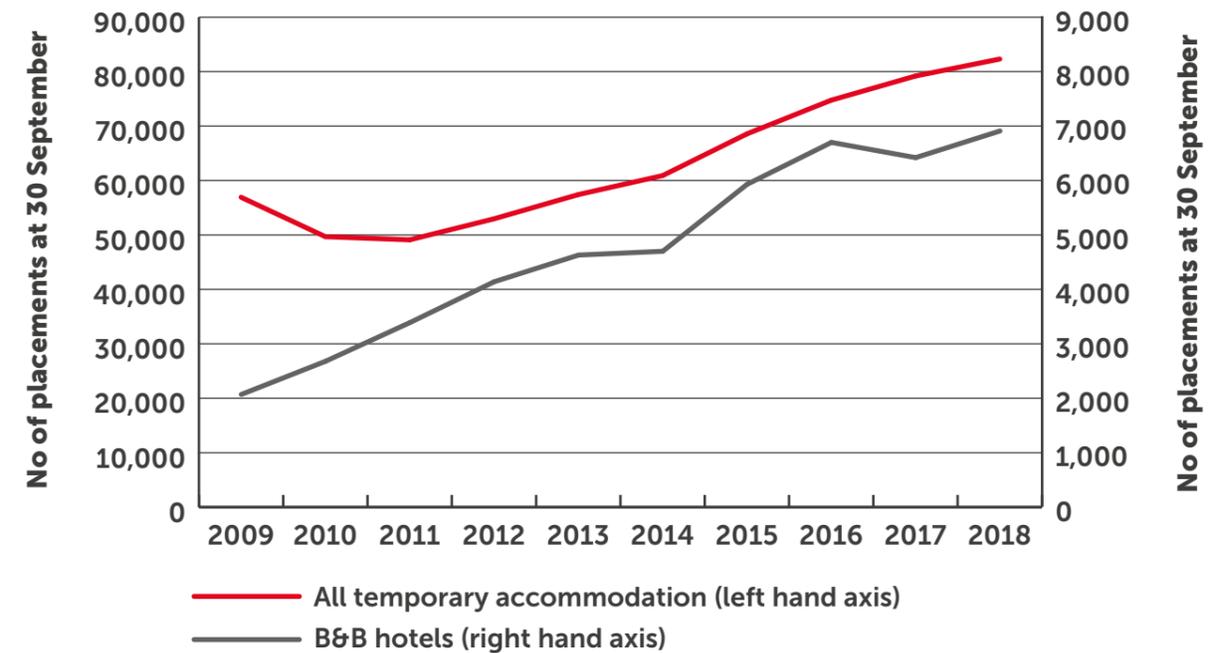
At 56,600, annual homelessness acceptances were some 17,000 higher across England in 2017/18 than in 2009/10. The vast bulk of this increase resulted from the sharply rising numbers made homeless from the PRS, with annual losses of Assured Shorthold Tenancies having quadrupled during the period – from less than 5,000 to over 18,000 (18,270) in 2016/17. In the latest year covered by Figure 4.9, however, that trend was reversed, whereas other “immediate causes” of homelessness remained more stable. The national reduction in statutory homelessness acceptances seen in 2017/18 was, thus, mainly the result of a drop in the number of cases recorded as arising from Assured Shorthold Tenancy (AST) termination. As in relation to the regional analysis, however, it may be wise not to

Figure 4.9 Change in number of households made homeless due to selected immediate causes, 2008/09-2017/18 – indexed



Collated from MHCLG statutory homelessness statistics

Figure 4.10 Local authorities’ use of temporary accommodation for homeless households



Source: MHCLG statutory homelessness statistics. Note: 2018 figures for 30 June

attribute too much significance to the most recent year’s figures, given the upheaval in the broader legislative framework with the HRA. That said, as noted in earlier chapters (2 and 3), this about turn in the recent trend on AST-related acceptances may reflect the filtering through of a sharp reduction in the number of AST repossession since 2015, which may in turn reflect a contraction in the overall number of low-income households managing to access the PRS with the assistance of the LHA (especially in central London).

Homeless households placed in temporary accommodation

Since bottoming out in 2010/11, homeless placements in TA have risen sharply, with the overall national total rising by 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 (see Figure 4.10).

A continuation in this trend would see placements topping 100,000 by 2022. London continues to account for over two thirds of the total number of TA placements at any one point in time (57,000 as at 30 June 2018 – 69%). Since the published data also show that TA placements as at 30 June 2018 involved some 124,000 children, it is clear that the number of people affected will have exceeded 200,000.²²²

TA placements have been rising at around twice the rate of homelessness acceptances – in the period that has seen the former expand by 71 per cent, the latter has grown by only 34 per cent. Since rates of TA use reflect the interaction of (homelessness) demand and (social/affordable housing) supply, they are an acute proxy for changing rates of homelessness stress as these bear on LAs.

²²² If half of TA placements are single parent families or single adults, with the other half involving households containing two or more adults, the number of persons living in TA as at 30 June 2018 will have totalled more than 247,000.

The growing homelessness stress being experienced by LAs as evident from rising TA placements is probably largely due to shrinkage in rehousing resources. As discussed in Chapter 2, between 2009/10 and 2016/17 total lettings by LAs and housing associations declined by 11 per cent²²³ (from 291,000 to 259,000). Moreover, there is also evidence that many housing associations have become increasingly risk averse towards allocating tenancies to benefit-reliant households and those with complex needs (see Chapter 2). At the same time, benefit restrictions have severely limited access to the PRS in many

areas (see Chapters 2 and 3).

The bulk of TA placements are in self-contained housing (both publicly and privately owned). However, although accounting for only 8 per cent of the national TA total as at 30 June 2018, B&B placements have risen much faster than other forms of TA. Totalling 6,890, the number of placements was 6 per cent higher than a year previously and 266 per cent higher than in 2009. Bearing in mind that households placed as at 30 June 2018 included 2,560 children, it is virtually certain that the total number of people involved will have exceeded 10,000.²²⁴

Signs of stress are also evident in the substantial levels of out-of-borough TA. 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 2010/11.²²⁵

The forms of TA just discussed (B&B and out of area placements) are counted in the “core homelessness” measure discussed in Section 4.3 above and are generally the most sensitive barometer of pressures within that.

Local authority homelessness prevention and relief to 2017/18

The non-statutory homelessness prevention caseload remained far larger than the formal statutory homelessness cohort in the immediate pre-HRA period (see Figure 4.11). While the overall volume of non-statutory activity remained fairly stable in 2017/18, the balance shifted slightly towards interventions enabling applicants to remain in their existing home, as opposed to helping people to obtain a new tenancy.

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 Chapter 3).

Local authority action under the HRA regime – Q1 2018/19

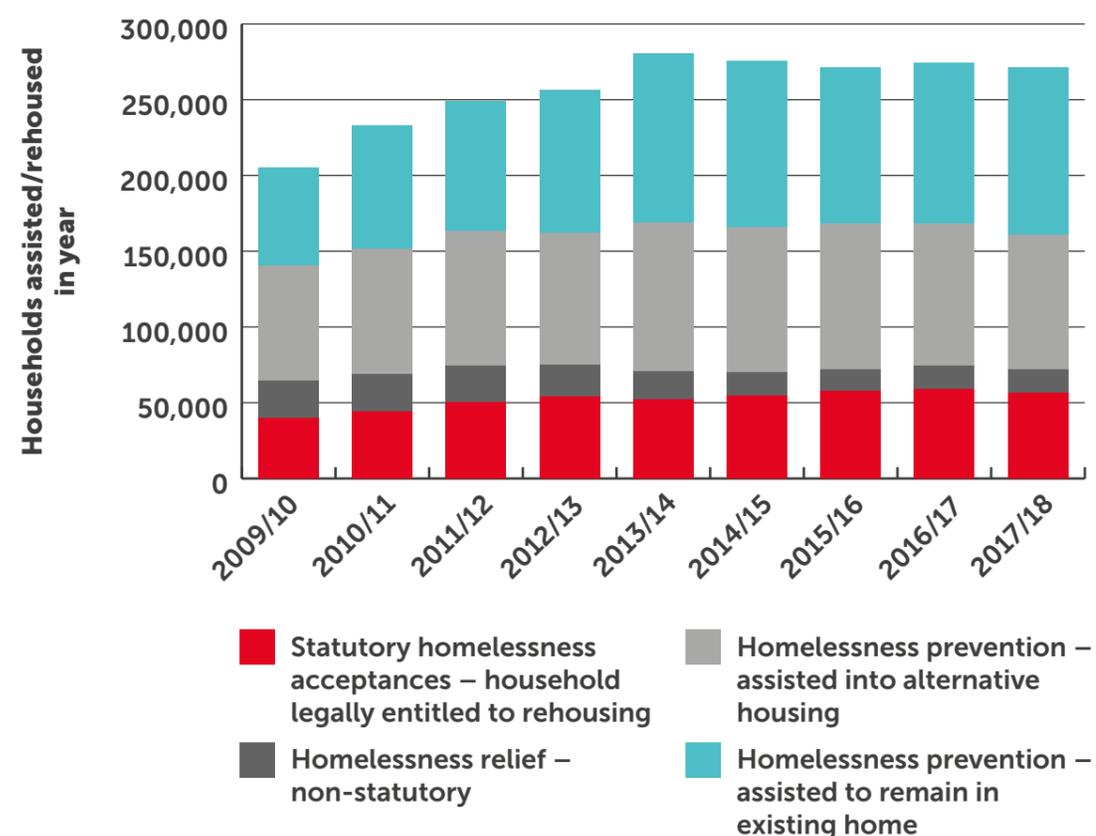
Figure 4.12 contextualises the first set of official statistics associated with the new HRA regime. These have been collated from the new H-CLIC system.²²⁶ The flow chart is a substantially simplified representation of the multiple possible outcomes of HRA homelessness application and assessment processes.²²⁷

As depicted in Figure 4.12, there are four significant decision-taking points for LAs under the new framework. A few applications may ultimately pass through all four of these. This would be true where:

- The applicant is initially deemed eligible
- The eligible applicant is deemed as threatened with homelessness – and thus subject to the Prevention Duty (S195)
- Efforts to prevent homelessness having been unsuccessful, the applicant is subject to the Relief Duty (S189B)
- The Relief Duty having been unsuccessful in relieving homelessness, the applicant is subject to the Full Duty assessment (S193(2)).

At each of these decision points various outcomes are possible. Our flow chart necessarily amalgamates some of these for intelligibility. For example, the box “not prevented – case closed” under S195 includes applications deemed to have been withdrawn as well as those where an offer of accommodation has been refused or where there has been “an

Figure 4.11 Overview of local authority action to assist homeless (and potentially homeless) households, 2009/10-2017/18



Source: MHCLG

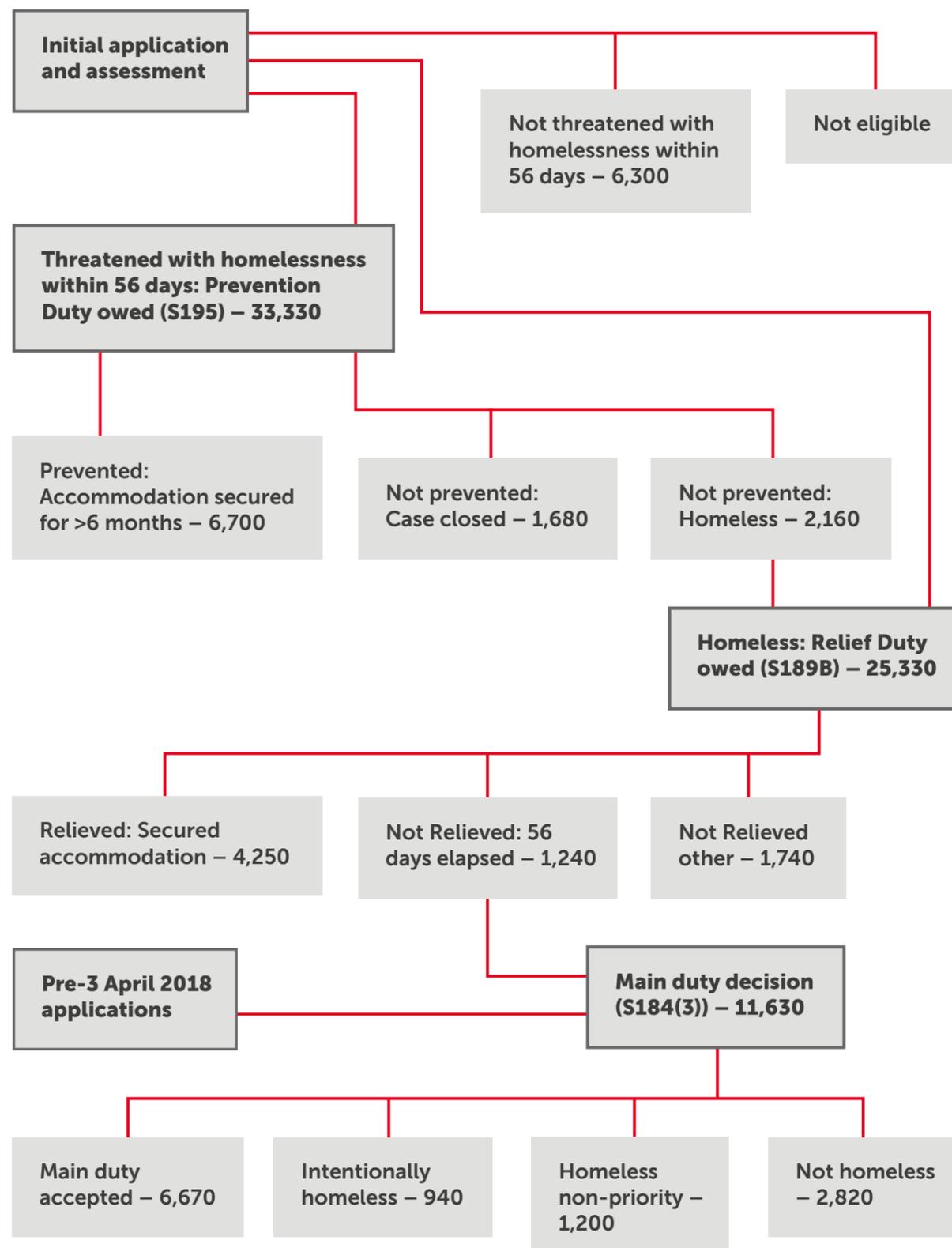
²²³ Stephens, M. et al. (2018) *UK Housing Review 2018*. Coventry: CIH. Tables 97 and 99. <https://www.ukhousingreview.org.uk/ukhr18/compendium.html> Stephens, M. et al (2018) *UK Housing Review 2018*; Coventry Chartered Institute of Housing (Tables 97 and 99) <https://www.ukhousingreview.org.uk/ukhr18/compendium.html>

²²⁴ If no household placed in TA involved more than one adult, placements as at this date will have involved 9,450 people. If, in fact, half of the cohort involved households with two adults, the number of persons would have totalled 12,895

²²⁵ 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

²²⁶ Accompanying HRA implementation as from April 2018, this ‘individual case return’ framework replaced the previous system of quarterly aggregate statistical returns. See MHCLG briefing on the new recording system at: <https://bit.ly/2W47x2n>

²²⁷ An elaborated flow chart, as produced for the National Practitioner Support Service (NPSS) is at: <https://bit.ly/2F6NiKB>

Figure 4.12 Homelessness Reduction Act: statutory homelessness decisions, Q1 2018/19

Source: Authors – based on MHCLG statistics and drawn with MHCLG assistance

unreasonable refusal to co-operate". A somewhat finer breakdown of case closure decisions can be found in officially published MHCLG statistics.²²⁸

Importantly, consistent with the way that relevant H-CLIC-derived statistics are published by MHCLG, LA decision outcomes under S195, S189B and S193(2) as shown in our flow chart relate to cases closed during the relevant quarter. Not specified explicitly are cases initiated during the quarter under S195 and S189B but remaining open at quarter end.

It cannot be emphasized enough that the breakdown of LA decisions shown in the flow chart relate to a transitional period, and that the statistics themselves are acknowledged by MHCLG as experimental and incomplete.²²⁹ This point was also stressed by numerous key informants.

The transitional consideration should be taken into account in two main respects. First, with new procedures for initial applications being brought into being only at the start of the quarter, the time lag in determining many application outcomes will have led to relatively large proportions of cases logged as S195 and S189B cases remaining open at quarter end. In future quarters it would be expected that such differences will be smaller. Second, with respect to Main Duty decisions (S193(2)) it will be noted that – by implication – the vast majority of such judgements in Q1 2018/19 related to applications already in train before the HRA regime began. An important associated point is that, with this

"backlog" having been cleared during 2018, the incidence of "not homeless" decisions under S193(2) should dwindle to negligible levels.²³⁰

Main Duty accepted cases in Q1 2018/19 (6,670) equated to 46 per cent of the 2016/17-2017/18 average. In future quarters, numbers may well rise back towards historic norms for at least two reasons. Firstly, H-CLIC-derived records will become more complete. Secondly, cases initiated after 3 April 2018 will flow through the system in larger numbers.

A precedent for the transition of the English system and its associated administrative (statistical) impacts is provided by the introduction of the similar prevention-focused statutory homelessness regime in Wales as from 1 April 2015. Here, the number of "homeless – Main Duty accepted" decisions fell to only 31 per cent of its previous level in the first full year of the new system as compared with 2014/15. However, while the figure has subsequently risen the comparable 2017/18 total was still only 44 per cent of the 2014/15 statistic. In the Welsh instance, therefore, it appears that there was a major lasting impact on the numbers of households accepted as being owed the main rehousing duty.

Thus, the introduction of the HRA creates a major discontinuity in most of the official statistics relating to homelessness in England. As in Wales previously, many more people (particularly single people) will be officially recorded as seeking assistance but initially most will be

228 Ministry of Housing, Communities and Local Government (2018) *Live tables on homelessness*. Online: Gov.UK. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

229 Regarding the 'experimental' status of the statistics presented in Figure 4.12, it must be noted that these have been subject to no imputation for incomplete or missing returns (see footnote), because of the lack any evidence base for this purpose

230 By comparison with what would have happened if previous procedures had been retained, a larger proportion of those making applications during Q1 2018/19 will be recorded as Main Duty decisions only in a subsequent quarter – after prevention and/or relief procedures have been actioned. Beyond this, however, it may be that the relatively small number of Main Duty decisions in Q1 2018/19 also reflects the 'successful operation' of the new framework. Since the regime is explicitly intended to shift the balance of local authority attention towards prevention and relief, a lasting impact is to be expected in terms of applicants being successfully assisted in this way and, hence, never subject to a main duty decision

classified as “prevention” and/or “relief” cases. Only a proportion will in the end be accepted under the main LA 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.

4.5 Wider forms of potential hidden homelessness

Concealed households

Concealed households are family units or single adults living within other

households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. The English Housing Survey (EHS), Understanding Society Survey (UKHLS) and the Labour Force Survey (LFS) ask questions about the composition of the household which enable the presence of “additional family/single units” to be identified.²³¹

In 2018, there were about 4.87 million households (21.0% of all households) which contained additional family units, based on the LFS. Of these,

295,000 (1.3%) were cases of couples or lone parent families living with other households, while 1.48 million (6.4%) were cases of unrelated one person units (i.e. excluding never married children of the main householder) and 3.35 million (14.5%) were cases of non-dependent adult children living in the parental household. These numbers were effectively unchanged from 2017, with a very marginal fall in the unrelated single persons offsetting a very slight rise in nondependent children and concealed families.

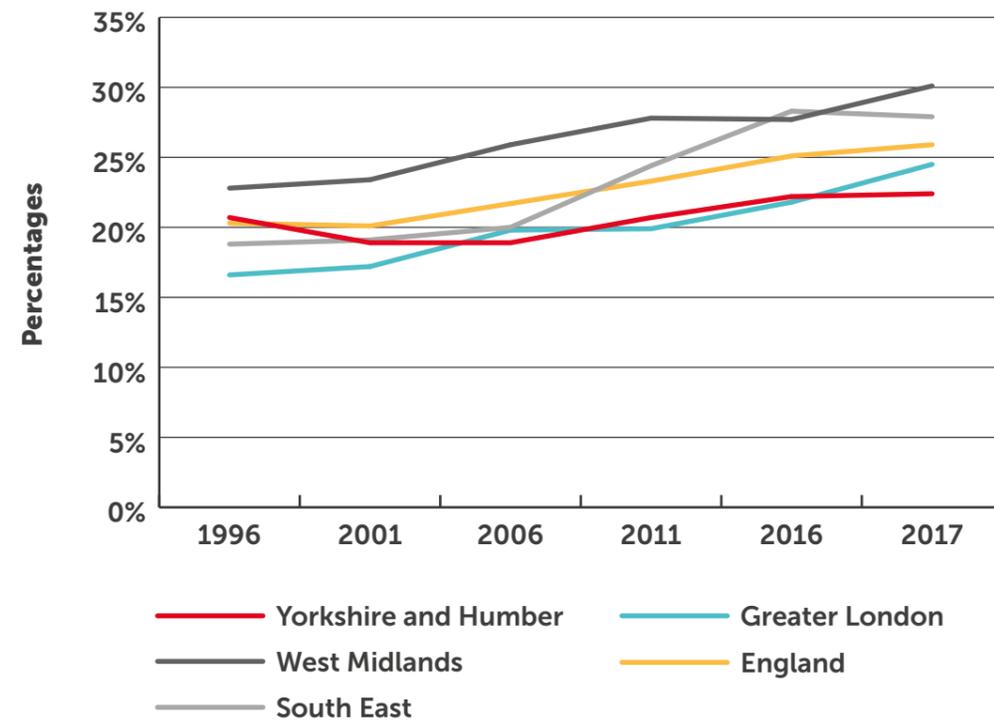
trends in the preceding decades. The most plausible explanation lies in the differential regional trends in housing affordability and availability, alongside perhaps the weaker real income growth for younger workers in this period.

Clearly not all of these concealed potential households will want to live separately at a point in time. The EHS asks a question, where such individuals are present in a household, as to why this person is living there. Overall, answers implying a preference or intention to move, or some uncertainty, account for around half of all cases.

This evidence (i.e. combining the LFS numbers with EHS-based “preferences”) suggests that there were 2.24 million households containing concealed single persons in England in 2018, in addition to 295,000 concealed couples and lone parents. We estimate that the number of adults in these

There has been a large increase in the share of 20-34 year olds living with their parents since the 1990s, which was greatest in the South East and London, where the share increased by nearly one-half (48%) – see Figure 4.13. The was least in Yorkshire & Humber (8%), followed by the other northern regions and the South West (13-14%). These changes are striking, and represent a significant reversal of

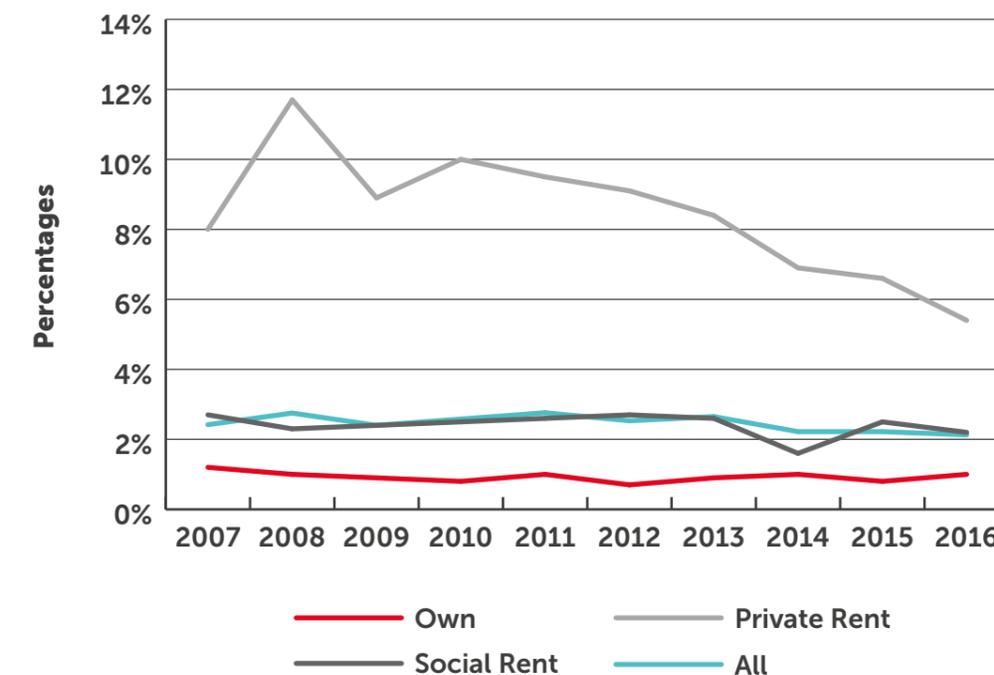
Figure 4.13 Proportion of 20-34 year olds living with their parents by selected region, England, 1996-2017



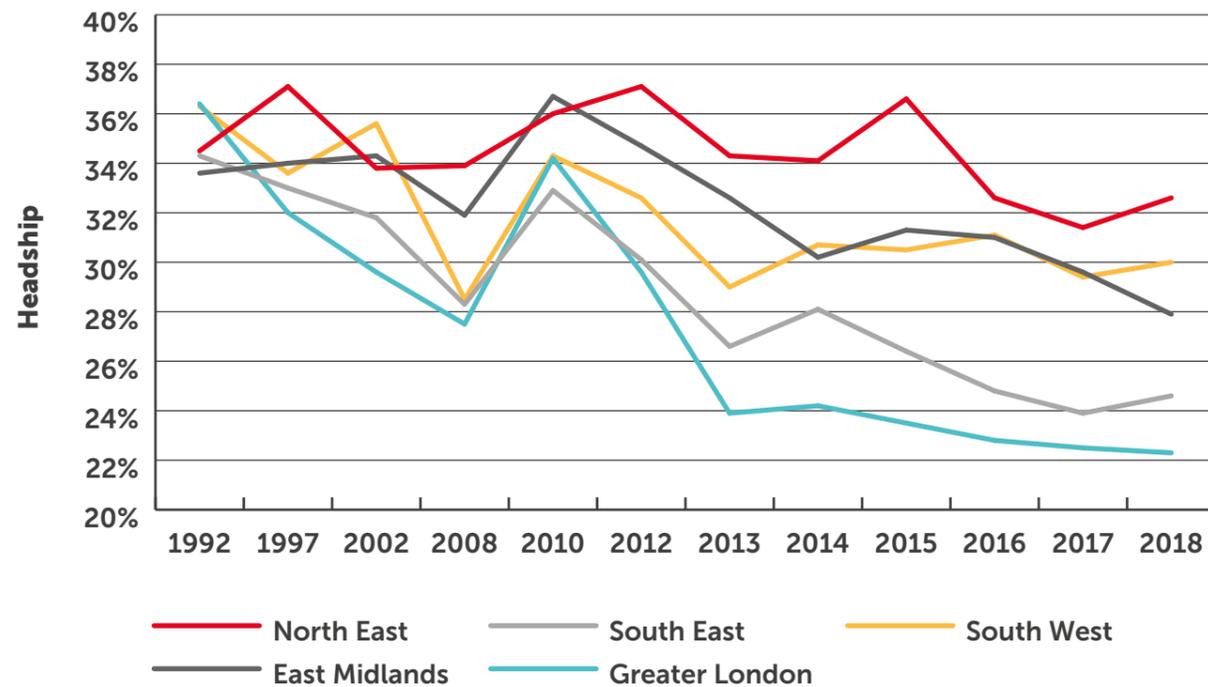
Source: from ONS (2018) *Young Adults Living with Parent 1996 to 2017* <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/youngadultslivingwiththeirparents>

²³¹ These surveys only approximate to the ideal definition of ‘concealed households’, as they do not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. However, both EHS and USS do enable single adults wishing or expecting to live separately to be identified. Moreover, they may not fully capture all concealed households reliably. For example people staying temporarily and informally with others may not be recorded in household surveys (like EHS) nor respond to individual surveys (like LFS) – Bramley, G. et. al. (2018) *Scoping Project to investigate the alternatives for including non-household populations in estimates of personal well-being and destitution*. Interim Report to Joseph Rowntree Foundation and ONS. Online: I-SPHERE, Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/scoping-project-to-investigate-the-alternatives-for-including-non> ,pp.20-29, pp.67-69. .

Figure 4.14 New household formation rates by tenure, England 2007-16 (percent of households in each tenure)



Source: English Housing Survey

Figure 4.15 Headship rates for 20-29 year olds, selected English Regions 1992-2018

Labour Force Survey (various years).

concealed household units amounts to 3.74 million. These numbers represent broad stability alongside the estimates presented in recent Monitors but a rise of about a third since 2008.

In previous Monitors we have shown sources that the increase in concealed households was associated with falls in the rate of new household formation. Using the EHS we can show a fall in new household formation in 2009, with some recovery appearing in 2010, but then a further drop from 2014. Figure 4.14 shows that the recent trend has been for moves by new households into private renting to continue to fall markedly, while new formation directly into home ownership has picked up slightly (confirming the picture painted in Chapter 2). The contribution of social renting had picked up in 2011-13, but subsequently fell, particularly in 2014,

and remains in 2016 below the levels seen in most years since 2007.

Another indirect indicator of concealed households is (reduced) household "headship". Figure 4.15 illustrates rates for younger adults for selected regions facing very different economic and housing market conditions, over a period of a quarter of a century. Although there was some fluctuation, especially around 2010, the key story is the sustained decline in separate household headship among young adults in London and the South East (22-24% in 2018 versus 34-36% in 1992). Regions like the South West and East Midlands fell by about 5 per cent points, while the North East only dropped noticeably after 2015. These pronounced declines are associated with the impacts of a tight housing market²³² and also of worsening real

²³² 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

income/living standards among younger working age people in this period.²³³

In a separate project developing national and regional estimates of housing requirements for Crisis and the National Housing Federation,²³⁴ we make a reasonable, conservative assumption about a level of suppressed household growth which would re-emerge given a better level of supply and affordability.²³⁵ We reverse the decline for the younger adults observed since 1992 (as in Figure 4.21), differentially according to the regional data, and we then add a modest additional growth in headship for this group, equal to the increase observed in the least pressured region of England (East Midlands) between 1992 and 2002. The effect is to increase annual household growth in England by 69,000 per year over 15 years to 2031.

All of this evidence shows that, a decade after the onset of the financial crisis and recession, and despite gradual improvements in employment levels and "recovery" in the housing market, the chances of many young adults being able to form separate households are severely diminished.²³⁶ They are forced to live with families or others as part of the wider group at risk of homelessness and over time such pressures will often lead to such arrangements breaking down, spilling over into actual homelessness.

Households sharing accommodation
"Sharing households" are those households who live together in the same dwelling but who do not

share either a living room or cooking facilities. According to the LFS, 1.89 per cent of households in England shared in 2018 (quarters 2/3), a marginal²³⁷ increase on the 1.83 per cent recorded one year earlier. Sharing was most common for single person households (4.8%), but was also found amongst couples (2.5%), and lone parent households (1.3%). It is much more prevalent in London (5.4%), as one would expect, and the next highest regions are the South West (1.9%), South East and West Midlands (1.6%). Sharing is relatively less common in the East of England, East Midlands and North East.

The trajectory of sharing over time is shown in Figure 4.16 below. This showed a pronounced decline in the 1990s and a slight further decline in the early/mid 2000s, followed by an apparent increase from 2008 to 2010, a sharp drop from 2010 to 2012, and a bounce back up in 2014-15. These fluctuations may reflect the financial crisis/recession and the expansion of private renting. It now appears that sharing has turned up significantly, being at its highest rate for 20 years.

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

²³³ 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

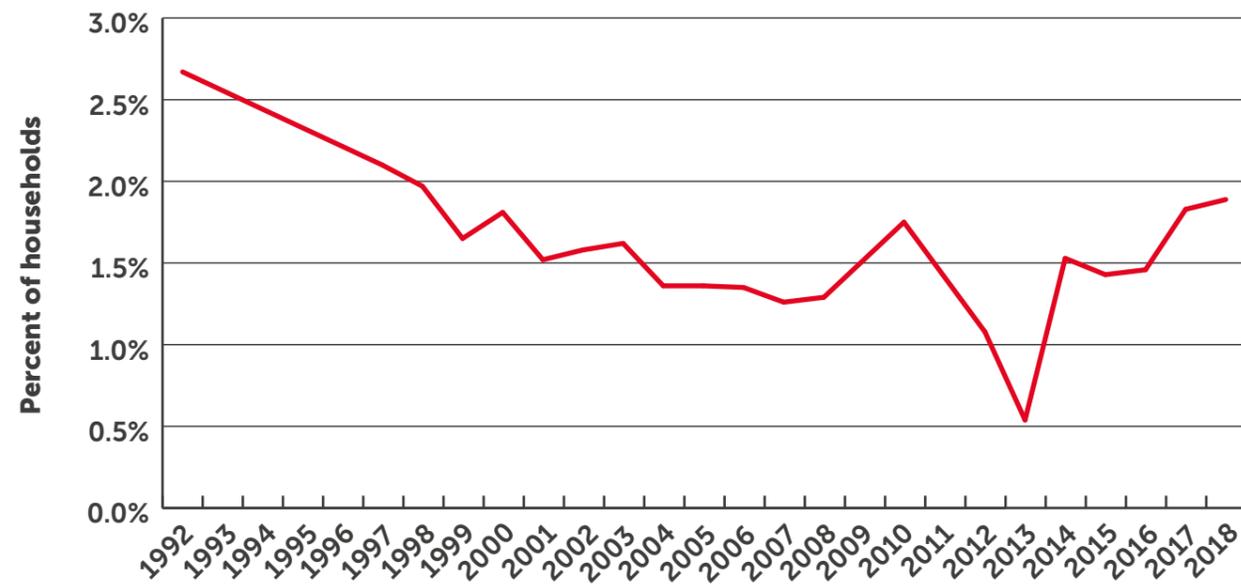
²³⁴ Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation. https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf

²³⁵ 'Conservative' in the sense that we do not suggest a full return to the growth rates in headship observed in the 1970s and 1980s. Some reasons for caution about this are rehearsed in McDonald, N. & Whitehead, C. (2015) *New Estimates of Housing Requirements in England, 2012 to 2037*. Town & Country Planning Tomorrow Series Paper No. 17. London: Town & Country Planning Association

²³⁶ 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.

²³⁷ This difference is not statistically significant.

Figure 4.16 Sharing households in England 1992-2018 (per cent)



Source: Labour Force Survey (various years)

and initiatives.²³⁸ This may include also some heavily overcrowded dwellings, possibly associated with certain migrant groups, although response to surveys like LFS may be poor in such situations. Cutbacks in LA resources for inspection and regulation enforcement in the PRS risk allowing more proliferation of such housing situations. LA expenditure on Environmental Health Regulation of Housing Standards fell by 46 per cent in real terms between 2010 and 2018, with a fall of 61 per cent in general revenue spending on Housing.²³⁹ Given the scale of increase in the PRS over this period (from 3.9 million to 4.9 million dwellings), the real impact of these cuts must be seen as even greater.

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

239 Author's analysis of CIPFA *Financial and General Statistics*, Estimates volumes for 2010/11 and 2018/19.

240 DCLG prefer to present this indicator based on a 3 year rolling average, which we do also except for the last year, which is based on two-year average

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

242 This is not yet statistically significant

Overcrowding

Figure 4.17 summarises trends in overcrowding by tenure in England between 1995 and 2016,²⁴⁰ based on the "bedroom standard."²⁴¹ Overcrowding increased to quite a pronounced extent from 2003 to 2009, from 2.4 per cent to 3.0 per cent of all households, reversing previous declining trends. Broadly one could describe overcrowding as having plateaued since 2009. Since 2009 the overall levels have remained close to the 3.0 per cent level, with a slight decline in 2010, with a slight increase in 2013 and signs of a further modest increase in 2015 and 2016.²⁴²

On the most recent figures, 704,000 households (3.1%) were overcrowded

Figure 4.17 Overcrowding by tenure in England 1995-2016 (per cent)



Survey of English Housing/EHS

Note: all based on 3-year average except 2016 (2 year average)

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 in London (across all tenures), with a rate of 7.3 per cent in 2014-16, although this has fallen slightly since 2008-10. Both South and Midlands broad regions (but particularly South East and West

Midlands) tend to have higher rates, and there have been increases in both the South and North²⁴³ in 2014-16 compared with the previous period.

Crowding tends to affect larger families (18% in 2014-16), lone parent families (10%) and multi-adult households (6%). Crowding also overlaps with concealed households, significant numbers of whom are at high risk of homelessness. For example, 284,000 households with nondependent children (8.0% of all such households) are overcrowded; 88,000 of concealed families (23% of this group) are overcrowded; the same applies to 14 per cent of concealed singles living with families (53,000 in EHS) and 6 per cent of "multi-single" (39,000) cases.²⁴⁴ This intersection

243 MHCLG no longer release Government Office Region codes or other lower level spatial identifiers on EHS data made available through the UK Data Service, even on special access terms.

244 English Housing Survey does not identify all cases of single concealed households, unlike the Labour Force Survey, so the last two categories are underestimated.

of concealed households and overcrowding pinpoints some of the higher risk groups for homelessness including families who are “homeless at home” and “sofa surfer” groups staying with other households, who are accounted for in our “Core Homelessness” analysis above, although it is likely that household surveys under-count these cases as well.²⁴⁵

4.6 Key points

- 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 RSI, between 2017 and 2018. However, there are still rising trends in London, in core cities including Birmingham and Manchester, and amongst CEE 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. 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, UK-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.
 - “Core homelessness”, a measure of the number of households who are in the most extreme situations, has continued to increase up to 2017,
- with a rise of 33,000 (28%) since 2010. The fastest-growing element has been “unsuitable” TA (up 260%), followed by rough sleeping (175%), with more moderate growth in sofa surfing (26%) but a decline in hostel numbers reflecting funding and capacity restrictions.
- Most LAs report recent increases in “expressed demand” for housing options services, with many but not all seeing this as partly resulting from the HRA. Likewise, as judged by LAs, the profile of applications has recently shifted towards single people, mainly in response to the HRA, but – as perceived – longer-term trends have seen disproportionately rising numbers with mental health or other complex needs. Many homelessness managers believe such patterns partly attributable to cutbacks in local services for these groups.
 - Statutory homeless acceptances fell slightly in 2017/18, although still remain 42 per cent above their 2009 low point.
 - Homelessness TA placements continue to rise, being now 71 per cent higher than in 2011, with a continuing disproportionate rise in B&B use. By mid-2018 some 85,000 homeless households were living in TA, equating to around 247,000 people.
 - Prevention activity has continued to shift towards helping people to retain existing accommodation, rather than finding a new (private) tenancy. A growing proportion of this activity involves debt advice and financial assistance, with both of these trends attributable to welfare reform.
- Over the last decade there has been an increase of nearly 700,000 in the number (or 28 per cent 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.
 - 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 declines are linked with housing market pressures and living standards trends.
 - The incidence of shared dwellings has also increased since 2013, now standing at its highest level for 20 years.
 - Overcrowding has remained at a heightened level since 2009, with some signs of increase in 2015 and 2016, particularly in social renting. It tends to affect families particularly.

245 See – Bramley, G. et. al. (2018) *Scoping Project to investigate the alternatives for including non-household populations in estimates of personal well-being and destitution*. Interim Report to Joseph Rowntree Foundation and ONS. Online: I-SPHERE, Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/scoping-project-to-investigate-the-alternatives-for-including-non> pp.20-29, pp.67-69.

Conclusions

5. Conclusions

This year's Monitor took as its principal theme access to social housing for homeless people and those at risk of homelessness, alongside investigating the major homelessness policy developments of the year, namely the implementation of the Homelessness Reduction Act 2017 and the new Rough Sleeping Strategy.

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. At a very general level, 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. As discussed in last year's Monitor, the National Audit Office and Public Accounts Committee had severely criticised MHCLG for its "light touch" and "unacceptably complacent" approach to homelessness in the context of the visibly growing crisis since 2010. This "hands off" approach was precipitated by the ideological commitment to "Localism" on the part of the Coalition Government. 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.

At the time of this year's online local authority survey, the Homelessness Reduction Act 2017 had been in force 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 responding authorities saw the Act as having enabled a "more person-centred approach" in their area, and less than a quarter viewed it as having had "little positive effect" on their responses to people needing homelessness assistance. Numerous councils reported that the new legislation had had positive impacts on their organisational culture and service quality, with two-thirds viewing the new legislation as having positive impacts for single homeless people in particular.

However, opinion was somewhat divided on a number of 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 encompass a robust duty on 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. 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.

Three quarters of local authority respondents to this year's online survey considered rough sleeping a problem in their area, and for nearly one council in four it was said to be a "major problem". The new Rough Sleeping Strategy published in Summer 2018 was generally well received by relevant local authorities and key informants, with many of the latter crediting the associated Rough Sleeping Initiative with bringing about a substantial and rapid reduction in the numbers on the streets in the targeted areas (though the UK Statistics Authority has subsequently cast doubt on that interpretation). 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. Migrant rough sleeping, especially amongst European Economic Area migrants, continues to pose a particularly complex challenge for many London Boroughs and certain other local authorities, and the still rising overall trend in London, and in core cities including Birmingham and Manchester, remain a matter of serious concern.

Notwithstanding the dominant local authority view that the "New Burdens" funding provided alongside the Homelessness Reduction Act 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. Important new analysis undertaken for St Mungo's/Homeless Link found that an estimated £5 billion less has been spent by local authorities on homelessness-related activities between 2008/9 and 2017/18 than would have been the case had funding continued at 2008/9 levels. Cuts have been particularly deep in single homeless people's services, and in low and medium-level support services. These reductions in homelessness spending have occurred in the broader context of a massive 28.6 per cent cut in overall local authority spending power in England between 2010/11 and 2017/18, with spending on housing services (excluding social housing) falling by an eye watering 45.6 per cent between 2010/11 and 2016/17.

The findings on our other key theme for this year – access to social housing – likewise make for dismal reading. The overall number of social lets continues to decline, with the current level of lets to new tenants less than half the level seen in the late 1990s. It is within that context that the proportion of social housing lets to new tenants allocated to homeless households in England, currently 19 per cent, has grown for two years running. But a decade ago this proportion was 28 per cent. In all, some 20,000 fewer social lets were

made to homeless households in 2017/18 than in 2008/9, despite both statutory homelessness and rough sleeping having risen substantially over that period.

Exacerbating overarching supply concerns, ongoing shifts in housing association tenancy allocations policies and practices are perceived by local authorities as increasingly impeding their ability to resolve homelessness. Nearly half of council respondents reported that problematic changes of this kind had recently taken place amongst housing associations in their area. An even larger proportion (almost two-thirds) 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. 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 the social rented sector, 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. The proportion of households which rented privately fell from a peak of 20.3 per cent of households in 2016/17 to 19.5 per cent in 2017/18. 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. Affordability in the sector as a whole appears to be improving, and repossessions falling.

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. 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.

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 heart of the current housing and homelessness "crisis" in England is the progressive choking off of access routes to secure and affordable independent housing for these "outsider" households. This can be seen, for example, in an increase of nearly 700,000 in the number (or 28% in the share) of 20-34 year olds now living with their parents, and by the accompanying marked decline in the proportion of younger adults heading households, particularly in London and the South East where rates are 32 per

cent below those in the early 1990s. It can also be seen in the profound difficulties local authorities face in rehousing families living in temporary accommodation. This "blockage" on outflow from the system means that overall temporary accommodation placements continue on a rising trend – and now sit some 71 per cent higher than in 2011 – even as statutory homeless acceptances have stabilised and then fallen (slightly).

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. 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 the more southern regions of 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 LHA 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, and also with a more recent reversal in the upward trajectory

in Assured Shorthold Tenancy-related homelessness acceptances.

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 essentials was protected from being taken 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 who are 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, emergency help from the state in the form of Local Welfare Assistance funds have entirely disappeared in around a fifth of all English local authorities, including almost two-fifths 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.

Thus the homelessness-specific progressive measures now being taken by this government must be viewed in this very sobering broader context of a prolonged decline 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 UK from absolute destitution in 2017. 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.

Appendix 1 Topic Guide (2018)

1. Introduction (IF NECESSARY)

- Explain nature and purpose of research
- Their job title/role; how long they have been in that position/organisation

2. Trends in client groups/needs (IF SERVICE PROVIDER)

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

3. Homelessness Reduction Act

- What do you think are the main strengths/weaknesses of the HRA? Probe impact on/of:
 - prevention (inc. S21 notice)/relief activities;
 - assessment duty/Personalised Housing Plan;
 - duty to refer; joint working/cooperation with other public bodies/HAs
 - LA culture
 - single people/families/rough sleepers/complex needs
 - failure to cooperate/refusal of offer etc. provisions
- Is the £72.7 million “new burdens” HRA money reasonably sufficient/far short/generous?
- What do you make of the Homelessness Code of Guidance? Any thoughts/insight on the promised Codes of Practice?
- What are your views on H-CLIC and the first quarter data published (acknowledge early days/experimental)?

4. Rough sleeping/Housing First

- What do you think are the main strengths/weaknesses of the Rough Sleeping Strategy? (Probe on: Prevention; Intervention; Recovery.) What are the most/least significant commitments/what difference will it make?
- Any insight on rough sleeper statistics/plans to change in light of UKSA criticism
- Any thoughts on progress with the three Government-funded HF pilots?

5. Welfare reform

- Views on homelessness impacts of
 - Universal Credit roll out (and concessions on migration, advances/deduction rates, payment to main carer etc – what difference will it all make)

- LHA freeze/caps (including SAR)
- Overall working age benefit freeze (probe: significance of SoS statement that would like lifted)
- (Reduced) total benefit cap
- 2 child policy (and recent concession to remove retrospection)
- Other WR e.g. sanctions, Bedroom Tax, NDDs, IB/ESA/PIP, etc.

6. Localism/devolution

- Views on homelessness impacts of:
 - Supporting People – funding patterns, trends, implications for homelessness
 - DHPs – how effective in addressing homelessness
 - LWFs – how effective in addressing homelessness/implications of closure/reductions
- Devolution (to city region) - how relevant/impactful in your area? Positive/negative for homeless people? Why?

7. Prevention²⁴⁶

- Taking all of these national/local developments in the round, how effective would you say homelessness prevention is in England – both at the “crisis” and more “upstream” end of the spectrum? Variations between groups/geographies/causes of homelessness etc?
- Has this changed recently/over longer-term? (Probe on impact of HRA/RS Strategy, etc.)
- Do you have a sense of how this compares to the other UK countries? (Probe on Wales then Scotland and NI) What are the reasons why more/less effective in England?
- Has there been any policy transfer/lessons learned between the different UK countries to date (probe influence of 2014 Wales Act in England, but also thoughts on Scotland abolition of PN, knowledge of HARSAG, etc)
- What difference, if any, has this mutual learning made to policy and practice? Positive/negative, appropriate/inappropriate?
- Should there be more/less policy transfer/learning? If more, what is the most effective way to make that happen?
- What policy, practice and/or legislative changes would you like to see in order to more effectively prevent homelessness in England (e.g. more upstream, priority need removal to act as a natural driver, regulator)

²⁴⁶ Note that this section of the topic guide was intended mainly to prompt discussion relevant to a parallel project on ‘Homelessness Prevention Across the UK’, conducted in partnership with the UK Collaborative Centre for Housing Evidence (CaCHE)

Appendix 2 Local Authority Survey (2018)

Emulating similar surveys implemented by the research team annually since 2014, an online survey of England’s 326 local authorities was undertaken in October/November 2018. The main aim was to delve beneath the routinely published statutory homelessness statistics to enhance understanding of how housing market trends and welfare reforms have impacted on (a) homelessness demand pressures, and (b) local authorities’ ability to prevent and resolve homelessness.

While the starting point for this year’s questionnaire was the previous surveys, the questions were also updated to reflect recent, ongoing and anticipated policy developments and the specific priority themes for this year. Survey design was also informed through consultation with national experts in the field, as well with Crisis and Joseph Rowntree Foundation colleagues.

Following two sets of general reminder messages, and bespoke prompting of contacts who had participated in the survey in previous years, responses were filed by 167 authorities or 51 per cent of all authorities – see Table 1²⁴⁷. In terms of its regional distribution the achieved sample is appropriately representative of England.

Table 1 Survey response rate

Broad region*	All local authorities	Responding local authorities	Response rate %
London	33	15	45
South	151	82	54
Midlands	70	33	47
North	72	37	51
England	326	167	51

*In this survey we have followed the convention that the South includes the East of England as well as the South East and South West of England.

Table 2 Perceived change in homelessness demand in previous 12 months (% of responding authorities)

	Significantly increased	Slightly increased	Remained steady	Slightly reduced	Significantly reduced	Total	N=
London	33	47	20	0	0	100	15
South	23	41	32	2	1	100	82
Midlands	39	39	21	0	0	100	33
North	19	57	22	3	0	100	37
England	26	45	26	2	1	100	167

²⁴⁷ The response on behalf of Richmond-upon-Thames and Wandsworth (neighbouring boroughs with shared services) was treated as relating to two authorities in the analysis and for response rate calculation purposes.

Table 3 Has the profile of people seeking assistance from your Housing Options service changed over the past year? (% of responding LAs)

	Yes – marked change	Yes – slight change	No	Total	N=
London	27	20	53	100	15
South	14	33	53	100	78
Midlands	25	25	50	100	32
North	11	37	51	100	35
England	17	31	52	100	160

Table 4 Perceived impact of the HRA on specific groups (% of responding LAs)

	Strongly beneficial effects	Mildly beneficial effects	Neutral effects	Mildly detrimental effects	Strongly detrimental effects	Total	N=
Rough sleepers	10	32	55	2	1	100	161
Single people	17	48	30	2	1	100	157
Families with children	7	29	53	9	2	100	157

Table 5 Perceived adequacy of New Burdens funding

	Fully or nearly sufficient to meet the requirements	Falls somewhat short of what is needed	Falls far short of what is needed	Don't know/ too early to tell	Total	N=
London	0	46	46	8	100	13
South	14	32	41	13	100	78
Midlands	13	19	42	26	100	31
North	8	35	30	27	100	37
England	11	31	39	18	100	159

Table 6 Familiarity with new rough sleeping strategy guidance

Response	% of all authorities
Very familiar	27
Somewhat familiar	43
Not familiar at all	9
Rough sleeping not a problem in my locality	22
Total	100

N=157

Table 7 Homelessness significance of migrants in local authority area

	EEA nationals		Asylum seekers		Other migrants		N=
	Major problem	Problem	Major problem	Problem	Major problem	Problem	
London	58	42	25	50	22	11	9-12
South	5	40	1	18	0	8	73-78
Midlands	6	45	3	20	0	10	29-31
North	3	47	11	38	0	20	35-37
England	9	43	6	26	1	12	146-157

Table 8 LAs where EEA migrants “a problem” or “a major problem”: How easy is it to meaningfully assist this group? (% of LAs)

	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
London	0	25	33	42	100	12
South	3	37	51	9	100	35
Midlands	13	31	38	19	100	16
North	6	39	44	11	100	18
England	5	35	44	16	100	81

Table 9 Expected homelessness impacts of forthcoming welfare reforms

	Expected impact of measure on homelessness				Total	N=
	Significant increase	Slight increase	Little impact	Decrease		
4-year freeze on LHA rates	59	32	7	2	100	152
4-year freeze on other working age benefits	51	39	9	1	100	147
Lowered total benefit cap	47	44	7	2	100	153
Full roll-out of Universal Credit	65	25	10	0	100	152

Table 10 Role of Local Welfare Assistance schemes

	A very significant role	A somewhat significant role	A minor role	No role at all	Local Welfare Assistance scheme no longer operating in area	Total	N=
London	20	30	20	10	20	100	10
South	9	12	42	19	18	100	67
Midlands	4	8	33	17	38	100	24
North	7	50	36	7	0	100	28
England	9	21	37	16	18	100	129

Table 11 "There is enough social housing in my area to allow both people at risk of homelessness and other households who need it to have reasonable access" (% of respondents)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Total	N=
London	0	0	0	23	77	100	13
South	3	4	3	22	69	100	77
Midlands	0	7	10	23	60	100	30
North	3	14	5	49	30	100	37
England	2	6	4	29	59	100	157

Table 12 "Through their allocations policies and practices, social landlords in my area (local authority, if applicable, and housing associations) are making every effort to assist in preventing and relieving homelessness" (Respondent reactions to statement)

	Agree	Neither agree nor disagree	Disagree	Total	N=
London	37	31	38	100	13
South	44	34	22	100	77
Midlands	43	13	43	100	37
North	49	22	30	100	30
England	44	27	29	100	157

Table 13 "Changes in allocation policies applied by housing associations in my area over the past few years have made it more difficult to prevent and relieve homelessness" (Respondent reactions to statement)

	Agree	Neither agree nor disagree	Disagree	Total	N=
London	33	50	17	100	12
South	49	39	13	100	70
Midlands	59	30	11	100	27
North	40	34	26	100	35
England	47	37	16	100	144

Table 14 "Post-2011 changes in eligibility rules and/or allocation policies applied by my local authority have made it more difficult to prevent and relieve homelessness" (Respondent reactions to statement).

	Agree	Neither agree nor disagree	Disagree	Total	N=
London	8	58	33	100	12
South	15	38	47	100	73
Midlands	15	46	38	100	26
North	20	49	31	100	35
England	16	44	40	100	146

Table 15 "Affordability/financial capability checks are making it more difficult for homeless households to access social tenancies in my area" (Respondent reactions to statement)

	Agree	Neither agree nor disagree	Disagree	Total	N=
London	31	46	23	100	13
South	67	20	13	100	75
Midlands	57	25	18	100	28
North	74	11	14	100	35
England	64	21	15	100	151

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Crisis head office

66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012
www.crisis.org.uk

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