



## **Public Accounts Committee Submission of evidence: homeless households 21 November 2017**

### **Introduction**

Homeless Link is the national membership charity for organisations working with people experiencing homelessness across England. We work to make services better and campaign for policy change that will help end homelessness. We represent over 700 organisations providing supported housing and homelessness services across England. We believe we can end homelessness and ensure that everyone has a place to call home and the support they need to keep it.

Most of Homeless Link's members work with single homeless people, and therefore with regards to homeless households, we refer in this submission to households comprising single individuals, lone parents, and couples without children.

### **Evidence**

The evidence provided below sets out the current picture with regard to single homeless households.

### **Data on Homelessness**

Due to the nature of homelessness and with a significant proportion of it being hidden, it is difficult to have accurate data on the numbers of individuals and households who are homeless. No one can say with any degree of confidence how many homeless people there are in England at any one time. There are various measures that provide good indications but they measure different aspects of homelessness and record different client groups in different ways and cannot be combined to give an overall single figure. The official statistics on homelessness relate to statutory homeless households, annual rough sleeping counts and statistics on homelessness prevention and relief. Other forms of homelessness, such as people in hostels, are not included.

The limitations of the official statistics on homelessness have been set out in a report by the UK Statistics Authority<sup>1</sup>, which concluded that the official Homelessness Prevention and relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated 'National Statistics'. DCLG are taking steps to improve the data collected on homelessness and Homeless Link has recommended that England should adopt the approach on homelessness statistics taken by Scotland where data is provided on every individual and household who is homeless.

According to the 2015 rough sleeper count there were **3,569** people sleeping rough on any one night in England, this is an increase of 30% from 2014. There were 54,000 annual statutory 'homelessness acceptances' in England in 2014/15, 14,000 higher from 2009/10, with a rise of 4% over the past year.

## **Let's end homelessness together**

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Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 275,000 'local authority homelessness case actions' in 2014/15, a rise of 34% since 2009/10. The vast bulk of the recorded increases in statutory homelessness over the past five years is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases almost quadrupling from 4,600 to 16,000. As a proportion of all statutory homelessness acceptances, loss of private tenancy increased from 11% in 2009/10 to 29% in 2014/15.

Hidden homelessness – it is estimated that 2.35 million households contained concealed single persons in England in early 2015. In addition to 267,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.52 million.<sup>2</sup>

Temporary accommodation is only provided to households found by local authorities to be in 'priority need' under the homelessness legislation and as this tends not to be single homeless people it is not an area that we do any work on. However, we do recognise that the provision of temporary accommodation is a hugely high cost issue for local authorities and we are concerned about the length of time families can remain in temporary accommodation and often the very poor conditions of this accommodation. A better longer term solution would be for local authorities to divert the funding they spend on providing temporary accommodation into the building of low cost rental housing.

### **Single homeless households**

According to Homeless Link's last Annual Review: Support for Single Homeless People in England 2015 there are 1,253 homeless accommodation projects (a reduction of 14% since 2010) and 208 homelessness day centres. There are currently 36,540 bed spaces available in homelessness accommodation projects, a 5% reduction since 2013 and 16% reduction since 2010.

41% of homelessness accommodation projects have experienced decreased funding over the previous year, with an average reduction of 17%. The main funding source for 51% of homelessness accommodation services remains housing-related support funding from local authorities (formerly Supporting People funding). This is down from 58% the previous year and 76% the year before that and this reflects the continued funding cuts that many local authorities have made to housing-related support. Housing Benefit continues to be an important funding source for accommodation projects, with 27% stating this is their primary source of funding.

Homelessness accommodation provision is funded from a range of statutory and voluntary sources. Almost all homelessness accommodation projects (90%) receive funding from benefit payments, as Housing benefit claimed by residents pays for their rent. 87% receive funding from rents and service charges which pays for the housing management costs that Housing Benefit does not cover. Most accommodation projects receive some funding from housing-related support (81%). Just over half of accommodation projects (57%) fundraise, social services and local authority grants are also significant funding streams, providing some funding to 27% and 20% of accommodation projects respectively. The funding contribution from other statutory services such as criminal justice, health and substance misuse is very low, with each providing funding for between 2-4% of accommodation projects.

As there is no statutory duty for housing-related services there is a risk that homelessness services may not be prioritised by local authorities over other services. Reducing funding can also impact on a local authority's capacity to carry out monitoring and performance management making it harder to evidence service effectiveness and adopt an evidence-led approach.

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<sup>2</sup> S Fitzpatrick et al (2016) The Homelessness Monitor: England 2016, Crisis

Access to move on accommodation is a significant issue for homelessness accommodation services. 62% of accommodation projects said that local pressures on the housing market or limited supply of suitable rental properties were the main barriers to move on. Affordability was also a significant barrier to move on and 59% of homelessness accommodation projects stated this was a barrier in their area. On average, accommodation projects reported that 25% of people currently staying in their services were ready to move on but had not yet moved. Over half (58%) of those had been waiting for more than three months.

### **Impact of welfare reform**

According to Crisis' Homelessness Monitor 2016<sup>3</sup> two thirds of Local Authorities in England reported that welfare reforms increased homelessness in their area. Negative effects of welfare reform on homelessness levels were much more widely reported by local authorities in London (93%) than in the North of England (49%).

Northern local authorities most commonly cited the extension of the Shared Accommodation Rate (SAR) to 25-34 year olds (44%) and benefit sanctions (33%) as the primary welfare reform measures driving up homelessness in their areas. In London the maximum cap on Local Housing Allowance (LHA) rates was by far the most frequently identified welfare change inflating homelessness (69% London councils).

According to Homeless Link's Annual Review 2015 homelessness accommodation projects reported seeing a wide range of benefit issues experienced by people using homelessness services. The most common benefits problem experienced by people using homelessness services was sanctions, reported by 90% of services, an increase from 69% last year. 61% of homelessness services say the proportion of people being sanctioned has increased.

Homeless Link's research on benefit sanctions<sup>4</sup> found that homeless people are being disproportionately sanctioned compared to the general population. Homeless people are also more likely to experience multiple sanctions than other Job Seeker Allowance claimants. Younger homeless people and those who had been in local authority care, or who had mental health issues or substance misuse problems are most likely to have been sanctioned. Despite the regulations and guidance saying it should not happen there is also an issue of those who are sanctioned having their Housing Benefit stopped putting them at risk of arrears, eviction and homelessness.

Evidence from the Homelessness Monitor 2016 found that almost three quarters (73%) of English Local Authorities anticipate the roll out of Universal Credit (UC) will further increase homelessness in their area. In particular, there is concern about the impact of altered direct rental payment arrangements on the already fragile access to private rented sector tenancies to prevent or alleviate homelessness. Under Universal Credit the main arrangement will be to include housing costs as part of the UC payment and not paid directly to landlords as can happen now. This change, alongside the move from weekly to monthly payments are seen as risk factors, with a high likelihood of resulting in arrears and putting people at risk of eviction.

Homeless Link and our members are also concerned about the proposals to remove housing costs for young people aged 18-21 putting this group at major risk of homelessness and we have been seeking to ensure exemptions for vulnerable and marginalised groups.

### **Future funding of supported housing services**

Homeless Link and our members welcomed the news that supported housing will be exempt from the Local Housing Allowance. However, the proposals may not be enough to reassure providers of short-term accommodation, including many Homeless Link members working with single homeless

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<sup>3</sup> S Fitzpatrick et al (2016) The Homelessness Monitor: England 2016, Crisis

<sup>4</sup> Homeless Link (2013) A high cost to pay: The impact of benefit sanctions on homeless people;

people and those with complex needs. We will be contributing to the Government consultation on the future funding for supported housing, working with our members across the country.

### **Housing supply and affordability**

The supply and demand of housing has altered in England over the past three decades. Supply has failed to keep up with demand and it is widely recognised there is an undersupply of new homes.<sup>5</sup> There has also been a steady decline in the number of affordable homes built since 2010/11 (68,480 were built in 2010/11, falling to 42,270 in 2013/14)<sup>6</sup>, while at the same time housing costs continue to rise. For certain housing tenures affordability is worse. On average owner occupiers spend 20% of their gross household income on their housing costs, in the private rented sector this increases to 40% (and 47% when housing benefit is removed) and in the social sector this is 30% (and 42% when housing benefit is removed)<sup>7</sup>. Insufficient affordable housing is one of the structural causes of homelessness and also prevents people from moving out of homelessness. Single people who are homeless often struggle to access social housing as they are not in 'priority need' and often the only option available to them is the private rented sector. However as mentioned above the welfare reform changes are impacting on the ability of homeless people to access accommodation in the private rented sector. In addition, private landlords are increasingly reluctant to let to people on housing benefit and accessing or saving up for a cash deposit or rent in advance is often unaffordable. These difficulties have led to issues with single people moving on from homelessness accommodation projects when they are ready to.

In addition to the difficulties of accessing the private rented sector and the shortfall in housing supply, other factors contributing to rising homelessness and attempts to tackle it include the loss of properties via Right to Buy, reduced new build development and the potential weakening in local authority nomination rights to housing association properties.

Prior to the change in Government personnel in 2016, the main housing strategy related almost exclusively to increasing home ownership. The affordable housing policy has changed focus on the provision of Starter Homes and Shared Ownership schemes, and there have been many concerns expressed that these schemes are now replacing the provision of genuinely affordable/low cost housing. There remains an issue with the definition of affordable being set at 80% of market rates.

We are encouraged that there has been recognition in the current Government of the need for increased supply of low cost rental housing. While homelessness is not just a housing problem, the shortage of low cost housing is having a major impact on our ability as a society to effectively tackle and end homelessness.

### **Homeless Link November 2017**

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<sup>5</sup> Shelter (2013) Solutions for the housing shortage: How to build the 250,000 homes we need each year.

<sup>6</sup> DCLG Table 1000: Additional affordable homes provided by type of scheme, England

<sup>7</sup> DCLG, English Housing Survey, Annex Table 2.5: Mortgage/ rent payments as a percentage of weekly household income, 2012-13.