



Evidencing Changes in Homelessness Need in London

Between 2013 and 2015

1.0 INTRODUCTION

1.1 Background to the work and overall aims

In December 2015 London Councils Leaders' Committee made an in principle position to continue funding a priority area focused on tackling homelessness. As part of this review London Councils Leaders' Committee and Grants Committee have outlined a need for further evidence on homelessness need in London to enable them to make a decision on the priorities for the period beyond 2017.

The overall aim of the work is to increase understanding of homelessness across London. It seeks to do this by establishing what evidence exists on the changing incidence and nature of homelessness in London between 2013-2015. The work highlights differences in the impact of these changes in relation to inner and outer London areas and protected equalities groups. It also explores possible links between homelessness and unemployment.

The work will be submitted to London Councils Grants Committee and Leaders' Committee in March 2016 and will be considered alongside other information including previous consultation findings (July-October 2015), and additional consultation results (December 2015-January 2016). The review will inform London Councils' decisions on any future budget and allocation of resources to projects that deliver the agreed priorities.

1.2 Elements of the work

The work has involved the following:

- Analysis of data in relation to rough sleeping and statutory homelessness between 2013-2015
- Desk-based research in relation to recent policy and funding changes
- Qualitative research in the form of semi-structured interviews with stakeholders representing London Councils, Homeless Link, one inner and two outer London boroughs.

1.2.1 Methodology and clarification of definitions

Rough sleeping: numbers of people rough sleeping are monitored via the Combined Homelessness and Information Network (CHAIN) database. Quarterly CHAIN data for 2013 is available for most inner London boroughs, but not for outer London boroughs. Bi-monthly data relating to the period July-December 2013 is available for all inner and outer London boroughs. In 2014 reporting changed to a quarterly basis and full data is available for all London boroughs for 2014 and 2015. As the report seeks to compare the incidence of rough sleeping between 2013-2015 data has been utilised relating to two six-month periods: July-December 2013 and July-December 2015.

Rough sleeping hotspots: for the purposes of this report these are defined as boroughs experiencing an increase in rough sleeping numbers of at least 50% between 2013 and 2015. This should be distinguished from an Area of High Rough Sleeping, which is an area with a rough sleeping count of above 20 such as Westminster.

Statutory homelessness: figures for the final quarter of 2015 were not available at the time of writing this report. To enable a full year comparison to be made between 2013-2015 a figure for the final quarter of 2015 has been extrapolated from the previous three quarters of 2015.

2.0 EXECUTIVE SUMMARY

Data indicates that overall levels of statutory homelessness and rough sleeping increased across London between 2013-2015. Anecdotal evidence from stakeholders suggests that other forms of single homelessness are also rising. However, lack of relevant data means it is currently not possible to quantify increases in these areas.

Stakeholder feedback and secondary research indicate that increases in homelessness are likely to be the outcome of a number of funding and policy changes. The most important change identified by stakeholders is restrictions placed on Local Housing Allowance (LHA) rates since 2011. These mean that LHA is not keeping pace with actual market rents and this is significantly decreasing accessibility and affordability of private rented sector (PRS) accommodation for homeless and low-income households. However, broader London housing market conditions - rapidly rising rents and high demand for the PRS - are also considered to be a significant driver of increasing homelessness. The extension of the Shared Accommodation Rate (SAR) from 25 to 35 years old has led to an increasing number of vulnerable single homeless people living in shared accommodation, but there is insufficient tenancy support available for this group, which can lead to them losing their accommodation.

In relation to rough sleeping recent changes to welfare benefits entitlements may be increasing the incidence of rough sleeping amongst Central and Eastern European nationals.

Data relating to statutory homelessness and rough sleeping indicates that homelessness is increasing more rapidly in outer than inner London areas. Stakeholder feedback and secondary research suggests a displacement of statutory homeless households into less expensive outer London areas. However, this movement may be inflating rents in outer London areas, taking them further above LHA levels. There is a risk of tenancy failure and subsequent homelessness for vulnerable households in outer London where relevant information is not shared between the referring and receiving boroughs.

The comparatively large geographical area of outer London boroughs and less intensive outreach coverage mean that CHAIN figures may be under-reporting the full extent of rough sleeping in these areas. In addition, it is difficult for outer London boroughs to respond effectively to higher levels of rough sleeping as central Government grant settlements are often based on historically lower levels of need.

Lack of available data means it can be difficult to fully assess changes in homelessness within particular equalities groups. The proposed reduction in the Benefit Cap is likely to disproportionately impact on larger BAME and refugee families. The extension of SAR disproportionately impacts on younger people. It is understood there are increasing numbers of young people in the non-statutory and rough sleeping population. The number of homeless women has also increased and this may be related to cuts in women-specific services.

Stakeholder feedback indicates it is likely there is a strong link between individuals' homelessness and unemployment, but this relationship is less easy to evidence in terms of geographical areas. There is a trend towards higher levels of employment within the statutory homeless population, which may be linked to the functioning of the Benefit Cap and/or individual boroughs' prioritisation of people in work within their Housing Allocations Policies. However, stakeholders also noted a strong trend in homelessness applications being made by low-waged households. This is likely to be also a result of London housing market conditions.

3.0 DETAILED FINDINGS

3.1 Findings from data on rough sleeping and statutory homelessness provided by London Councils

This section utilises data supplied by London Councils relating to rough sleeping and statutory homelessness. Additional CHAIN data has been sourced via desk-top research.

3.1.1 Rough sleeping figures

Findings in this section utilise data from CHAIN reports relating to the period 2013 – 2015¹ and street counts carried out in 2013 and 2014.

The table below sets out changes in rough sleeping across inner and outer London boroughs between 2013 and 2015 as indicated by CHAIN. Hotspots are indicated in red.

Table 1: CHAIN rough sleeping figures, 2013 and 2015

Borough ²	2013 (Jul – Dec)	2015 (Jul – Dec)	Change (%)
Camden	345	465	120 (35%)
City of London	275	329	54 (20%)
Greenwich	32	64	32 (100%)
Hackney	92	84	-8 (-9%)
Hammersmith & Fulham	105	137	32 (30%)
Islington	100	107	7 (7%)
Kensington & Chelsea	119	168	49 (41%)
Lambeth	313	276	-37 (-12%)
Lewisham	85	73	-12 (-14%)
Southwark	294	261	-33 (-11%)
Tower Hamlets	193	262	69 (36%)
Wandsworth	31	66	35 (113%)
Westminster	1866	2058	192 (10%)
Inner London total	3850	4350	500 (13%)
Barking & Dagenham	8	12	4 (50%)
Barnet	26	42	16 (62%)
Bexley	7	14	7 (100%)
Brent	179	133	-46 (-26%)
Bromley	31	34	3 (10%)
Croydon	97	117	20 (21%)
Ealing	205	208	3 (1%)
Enfield	58	70	12 (21%)

¹ These are available at: <http://data.london.gov.uk/dataset/chain-reports> and <http://www.mungos.org/chain>.

² Boroughs are categorised using the London Councils designation.

Haringey	49	86	37 (76%)
Harrow	36	38	2 (6%)
Havering	5	6	1 (20%)
Hillingdon³	121	170	49 (40%)
Hounslow	93	144	51 (55%)
Kingston	8	16	8 (100%)
Merton	17	26	9 (53%)
Newham	113	168	55 (49%)
Redbridge	51	193	142 (278%)
Richmond	70	92	22 (31%)
Sutton	10	18	8 (80%)
Waltham Forest	49	67	18 (37%)
Outer London total	1233	1654	421 (34%)

Table 2: Street count hotspots

Borough	2013	2014	Change (%)
Greenwich	1	16	15 (1500%)
Westminster	140	265	125 (89%)
Barking	0	4	4 (400%)
Bexley	3	7	3 (75%)
Brent	6	11	5 (83%)
Enfield	5	8	3 (60%)
Havering	2	8	300%
Hounslow	17	32	15 (88%)
Sutton	0	8	8 (700%)
Waltham Forest	3	10	7 (233%)

CHAIN and street count data indicate an increase in the level of overall numbers of rough sleepers in inner and outer London during the period. CHAIN indicates a pan-London increase of 18%. Street count figures show a pan-London increase of 37%.

CHAIN data indicates the increase in overall rough sleeping has been higher in outer London (34%) than inner London areas (13%). Street count data suggests that rough sleeping has risen more quickly in inner London boroughs (51% inner, 17% outer). This difference may reflect the street count methodology.⁴

Aside from Westminster the picture in inner London is of relatively moderate growth in rough sleeping. Outer London saw large increases across many boroughs. It is also notable that four inner London boroughs (Hackney, Lambeth, Lewisham and Southwark) experienced decreases between 2013 and 2015.

Street count data indicates hotspots in inner London as being Greenwich and Westminster and a number of hotspots in outer London.

In terms of distribution of rough sleeping CHAIN indicates that the share for outer London has increased between 2013 and 2015 - from 24% - 28% of the total. This is based on 2013 figures of 3850 and 1233 for inner/outer London and 2015 figures of 4350 and 1654 for inner/outer London.

³ This is a combined figure for Hillingdon and Heathrow

⁴ Street counts are a snapshot of rough sleepers identified on a given night. It is acknowledged that street counts in inner London are better resourced than in outer London boroughs and are therefore likely to find higher numbers of rough sleepers.

3.1.2 Ethnicity of rough sleepers

CHAIN ethnicity data indicates that between 2013-2015 there has been a slight decrease in the proportion of UK nationals within the rough sleeper population (48% - 42%) and increase in the proportion of CEE nationals (29% - 36%). The proportions of other ethnic groups: Africans, Asians, Australasians, Irish and other Europeans remained fairly stable over the period.

CHAIN annual report data for 2013/14 and 2014/15 indicates that during this period the vast majority of rough sleepers (87%) were men. The majority of rough sleepers (79%) were between 26 and 55.

CHAIN annual report data indicates that in 2013/14 and 2014/15 the most common last settled base before rough sleeping was in the private rented sector (42% of total). The most frequently stated reason for leaving in 2014/15 was 'being asked to leave' (15.7%), followed by eviction – most commonly for arrears (7.4% of the total). In total, evictions and being asked to leave accounted for 30% of rough sleepers – this figure was unchanged from the previous year.

3.1.3 Statutory homelessness

Findings in this section utilise data supplied by London Councils for 2013 - 2015. Hotspots are indicated in red.

Table 3: Statutory homelessness applications, 2013 and 2015

Borough	2013 total	2015 total	Change (%)
Camden	127	83	-44 (-35%)
City of London	21	57	36 (173%)
Greenwich	333	585	252 (76%)
Hackney	1391	1572	181 (13%)
Hammersmith & Fulham	488	604	116 (24%)
Islington	980	841	-139 (-14%)
Kensington & Chelsea	1404	1225	-179 (-13%)
Lambeth	946	636	-310 (-33%)
Lewisham	883	1161	278 (32%)
Southwark	946	1808	862 (91%)
Tower Hamlets	811	747	-64 (-8%)
Wandsworth	1237	1261	24 (2%)
Westminster	1218	1000	-218 (-18%)
Inner London total	10785	11581	7%
Barking & Dagenham	1675	1707	32 (2%)
Barnet	1090	777	-313 (-29%)
Bexley	565	648	83 (15%)
Brent	1089	1497	408 (37%)
Bromley	1143	857	-286 (-25%)
Croydon	2394	1405	-989 (-41%)
Ealing	1254	1599	345 (27%)
Enfield	797	1271	474 (59%)
Haringey	1109	947	-162 (-15%)
Harrow	385	555	170 (44%)
Havering	780	924	144 (18%)

Hillingdon	489	547	58 (12%)
Hounslow	882	408	-474 (-54%)
Kingston	382	317	-65 (-17%)
Merton	228	379	151 (66%)
Newham	3253	1516	-1737 (-53%)
Redbridge	1109	1109	0 (0%)
Richmond	544	396	-148 (-27%)
Sutton	316	459	143 (45%)
Waltham Forest	1915	2005	90 (5%)
Outer London total	21399	19323	-2076

Data relating to homelessness applications between 2013-15 indicates a decrease across London of 4%. Applications in inner London increased by approximately 7%, but decreased in outer London boroughs by approximately 10%.

In terms of distribution, in 2013 the majority of homelessness applications (66.5%) were made in outer London boroughs. In 2015 the division of applications was inner London 37.5% and outer London 62.5%.

Inner London hotspots included: City of London (+173%), Greenwich (+76%) and Southwark (+91%). Hotspots in outer London included: Merton (+66%) and Enfield (+59%).

Table 4: Statutory homelessness acceptances, 2013 and 2015

Borough	2013 total	2015 total	Change (%)
Camden	92	49	-43 (-46%)
City of London	12	41	29 (244%)
Greenwich	204	415	211 (103%)
Hackney	790	1104	314 (40%)
Hammersmith & Fulham	369	441	72 (20%)
Islington	418	365	-53 (13%)
Kensington & Chelsea	548	519	-29 (-5%)
Lambeth	697	429	-268 (-38%)
Lewisham	709	635	-74 (-10%)
Southwark	574	829	255 (44%)
Tower Hamlets	524	576	52 (10%)
Wandsworth	735	908	173 (24%)
Westminster	773	639	-134 (-17%)
Inner London total	6445	6951	506
Barking & Dagenham	880	936	56 (6%)
Barnet	692	469	-223 (-32%)
Bexley	390	437	47 (12%)
Brent	638	700	62 (10%)
Bromley	527	563	36 (7%)
Croydon	765	825	60 (8%)
Ealing	567	752	185 (33%)
Enfield	580	1004	424 (73%)
Haringey	760	663	-97 (-13%)
Harrow	157	380	223 (142%)
Havering	160	352	192 (120%)
Hillingdon	217	293	76 (35%)

Hounslow	645	331	-314 (-49%)
Kingston	178	193	15 (9%)
Merton	92	160	68 (74%)
Newham	1629	860	-769 (-47%)
Redbridge	472	513	41 (9%)
Richmond	331	232	-99 (-30%)
Sutton	181	327	146 (80%)
Waltham Forest	845	1052	207 (24%)
Outer London total	10706	11043	337

Data relating to homelessness acceptances indicates an overall increase of approximately 5%. This increase was higher in inner London (8%) than outer London (3%). Inner London hotspots included: City of London (+244%) and Greenwich (+103%). Hotspots in outer London included: Harrow (+142%), Havering (+120%), Sutton (+80%), Merton (74%) and Ealing (73%).

In terms of distribution the majority of acceptances were in outer London. In 2013 this represented a share of 62.5%. In 2015 this decreased slightly to 61.5%.

Data relating to temporary accommodation indicates an increase in placements across London of 19% between 2013-2015. Increases were higher in outer London (20%) than inner London (16%). Hotspots in inner London included: City of London (+77%), Greenwich (+78%) and Wandsworth (+68%). Outer London hotspots included: Bexley (+59%), Ealing (+68%) and Waltham Forest (+55%).

The distribution of TA placements remained fairly constant during the period at around inner London 35%/outer London 65%. Overall, London has 50,490 households in TA; this represents 74% of the national figure which stands at 68,850.

Data relating to homelessness prevention⁵ for 2013 and 2014 indicates an increase across London of 11%. The average inner London increase during this period was 9%, whilst in outer London it was approximately 12%. Inner London areas experiencing significant increases in prevention included: Hackney (+54%) and Lewisham (+269%). In outer London this included Redbridge (+127%).

Homelessness prevention decreased significantly in a number of boroughs, including: City (-41%), Wandsworth (-38%), Enfield (-67%) and Hounslow (-62%).

The majority of homelessness prevention (62%) took place in outer London boroughs in both 2013 and 2014.

Data relating to homelessness relief⁶ for 2013-2014 indicates a significant increase across London of 43%. This includes a 28% decrease in inner London, but increase of just under 60% in outer London boroughs. Decreases in homelessness relief occurred in the majority of inner London boroughs. Homelessness relief increased significantly in some outer London hotspots, including: Barking & Dagenham (+231%), Bexley (+400%) and Waltham Forest (+236%).

⁵ 'Homelessness prevention' means providing people with the ways and means to address their housing and other needs to avoid homelessness.

⁶ 'Homelessness relief' is where an authority has been unable to prevent homelessness but helps someone to secure accommodation, even though the authority is under no statutory obligation to do so. <https://www.gov.uk/guidance/homelessness-data-notes-and-definitions>

Homeless relief was much more prevalent in outer London boroughs and the share of this increased between 2013-14 from 81% to 90.5% of the total.

3.1.4 Data relating to unemployment

Unemployment data for 2012-2014 indicates an overall reduction in unemployment across London of 21% (83,900 people). During this period unemployment in inner London fell by 19% (29,000 people) and in outer London by almost 22% (54,900 people). The share of unemployment between inner and outer London remained fairly stable at approximately 38%/62%. The highest percentage decreases in inner London were in: Lambeth (-25%), Lewisham (-31%) and Hammersmith & Fulham (-24%). The highest decreases in outer London were in: Brent (-28%), Croydon (-29%), Ealing (-28%), Harrow (-28%), Havering (-27%) and Newham (-27%).

3.2 The policy context

A number of recent and proposed legislative and funding changes are likely to reduce the overall amount of affordable housing available to homeless people and impact on homelessness in London. These changes are outlined below, along with additional relevant data sourced via desk-top research.

3.2.1 Changes to Local Housing Allowance (LHA)

LHA is a means of calculating Housing Benefit (HB) for tenants in the deregulated private rented sector (PRS). In April 2011 the basis for setting LHA rates changed from the median (50th) to the 30th percentile of local market rents. Since April 2013 increases in LHA rates have been restricted to increases in the Consumer Price Index (CPI) inflation.⁷ In 2014/15 and 2015/16 LHA rates have been uplifted by 1%. In Budget 2015 Government announced that LHA rates would be frozen for four years from April 2016.

The Shared Accommodation Rate (SAR) limits the amount of Housing Benefit which can be claimed to that for renting a single room in a shared house. This previously applied to people under 25, but since April 2012 has been extended to people under 35.

A 2014 report for DWP on the impact of recent reforms to LHA⁸ notes a pattern of change in overall Housing Benefit (HB) claims in London, with a decrease in the London Centre area and increase in London Cosmopolitan areas and London Suburbs between the quarter before the [2011] reforms began and June/August 2013.⁹ Existing LHA claimants (i.e.: at January 2011) had a greater average reduction in entitlement in given property types than in the UK as a whole, with the majority of this reduction (74%) being incident on tenants. Analysis of moves made by LHA claimants at local authority level indicated a 'distinct ripple effect' from central London and London Cosmopolitan areas to neighbouring districts. The report also notes a significantly greater proportion of landlords with property in London seeking to reduce lets to LHA tenants and planning to exit the LHA sub-market, with over a quarter of stakeholders surveyed stating they had taken actions (non-renewal or cessation of a tenancy or eviction) against tenants specifically because of the effects of LHA reforms.

⁷ Savage, M (2013), *Equality Analysis for Housing Benefit: Up-rating Local Housing Allowance by 1 per cent and the Targeted Affordability Funding*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/262034/lha-uprating-equality-analysis.pdf

⁸ DWP (July 2014), *The impact of recent reforms to Local Housing Allowances: Summary of key findings*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329902/rr874-lha-impact-of-recent-reforms-summary.pdf

⁹ London Centre includes: Camden, City of London, Hammersmith and Fulham, Islington, Kensington and Chelsea, Tower Hamlets, Wandsworth and Westminster. London Cosmopolitan includes: Brent, Hackney, Haringey, Lambeth, Lewisham, Newham and Southwark.

The report also notes the number of households giving the end of an Assured Shorthold Tenancy¹⁰ (AST) as the main reason for homelessness almost doubled between 2011 and 2013, with 59% of this increase being attributed to London.

A 2013 report for DWP notes a range of issues related to LHA which are affecting affordability in the PRS. These include: lack of rent regulation, especially at the lower end of the market, insufficient supply of social and affordable housing increasing demand in the PRS, lack of one-bed supply in the PRS and the increasing unwillingness of landlords to rent to benefit claimants. LHA claimants in work have difficulty in moving to more affordable areas, especially where shift patterns and unsociable hours mean they need to be near their workplaces.¹¹

The report also notes respondents' view that it is difficult to accurately calculate SAR, meaning that local rates are not representative of market rents and that in practice a third of the market is not available. Young people on low incomes are particularly affected by LHA changes as they have to compete with students and young professionals for accommodation and because of their comparatively low priority for housing from local authorities.

Data collated by London's Poverty Profile indicates a geographical shift in HB claimants within London: in 2010 just under half of claimants lived in Outer London (48%), whilst in 2015 this had risen to just over half (51%). There have also been changes within sub-regional areas: since 2013 HB claims have dropped by 4.4% in inner London, in Outer East, Northeast and Outer South by 3%, but only by 0.6% in Outer West and Northwest London.¹² This may suggest a displacement of population in response to the 2011 LHA changes and the Benefit Cap.

A report for DWP in 2013 in relation to the limitation of annual LHA uprating to 1% in 2014/15 and 2015/16 finds no direct impact on gender, but a disproportionate impact on single women because of their representation levels in the HB caseloads. The policy may also disproportionately impact on some disabled people, because of the difficulties they face in finding an alternative PRS tenancy and on some larger BAME families.

3.2.2 Reduction in the Benefit Cap

This measure is contained within the Welfare Reform and Work Bill 2015. It sets a limit on the total amount in benefits that most working-age people can claim. At present this is set at: £500 pw (£26,000 pa) for households with children and £350 pw (£18,200 pa) for single people. The reduction is due to take effect in April 2016 and will reduce the total amount a household can claim to £442 per week (£23,000 pa) in London for couples and lone parents and £296 (£15,410 pa) for single households.¹³

Evidence from London's Poverty Profile indicates that the Benefit Cap has disproportionately impacted on London as a whole. In 2015, the number of cap-affected families in London (10,500) was almost as many as in the rest of England put together. In London, about a third of families were up to £25 a week worse off, whilst 2,400 families lost more than £100 per week. Around 1,000 single adult households in London were affected.¹⁴

¹⁰ The assured shorthold tenancy is the default legal category of residential tenancy in England and Wales. It is a form of assured tenancy with limited security of tenure, which was introduced by the Housing Act 1988

¹¹ DWP (December 2013), *Local Housing Allowance Targeted Affordability Funding. Outcome of the call for evidence.* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/262080/lha-call-for-evidence-response.pdf

¹² London's Poverty Profile (2015). 'Housing benefit claimants in London.' <http://www.londonpovertyprofile.org.uk/indicators/topics/receiving-non-work-benefits/housing-benefit-caseload>. This utilises P1E data.

¹³ <http://www.cpag.org.uk/content/welfare-reform-and-work-bill-2015>

¹⁴ London's Poverty Profile (2015). 'Families affected by the overall benefit cap'.

Government briefing information from 2015 indicates that most cap-affected households in London were larger families and/or lived in a high-rent area.¹⁵

3.2.3 Application of LHA rates to social and supported housing

This measure was announced in the Comprehensive Spending Review 2015. It proposes to include social housing, including supported housing, within the LHA framework. The new rules would apply to new tenancies from April 2016, although the LHA rate of Housing Benefit entitlement would not apply until 2018.¹⁶ Because of staffing costs, supported housing, including schemes directed at previously homeless households, is particularly vulnerable to such cuts in income. If support services are withdrawn, more people will inevitably end up on the streets.

Homeless Link is currently gathering evidence about the likely impacts of this change. Latest information (based on responses from 21 organisations) indicates that annual shortfalls are likely across supported accommodation types, ranging from £300 to £13,000 per bed space per annum on current evidence.¹⁷

3.2.4 Reduction in social housing rents

This measure is contained in the Welfare Reform and Work Bill 2015. From April 2016 social housing providers are required to put in place a 1% year on year reduction in their rents for the next four years.

This measure was originally intended to include supported housing. However, in January 2016 Government announced that supported housing will be exempted for one year.¹⁸

3.2.5 Extension of Right to Buy in social housing

This measure is contained in the Housing and Planning Bill 2015. Part 4 of the Bill sets out provisions to extend Right to Buy to housing association tenants and the forced sale of vacant high value social housing owned by councils. There is a risk that this may further reduce the supply of affordable housing in London, especially in expensive areas.

3.3 Data relating to protected equalities groups

This section highlights evidence of homelessness need in relation to protected equalities groups in recently published research (2012 onwards).

3.3.1 Young People

Crisis's 2015 briefing on homelessness notes that young people are at particular risk of becoming homeless and that rough sleeping among young people doubled between 2009–2014.¹⁹ Referencing *The Homelessness Monitor* the briefing highlights that 8% of 16–24 year olds report having recently been homeless.²⁰

<http://www.londonspovertyprofile.org.uk/indicators/topics/receiving-non-work-benefits/families-affected-by-the-overall-benefit-cap/>

¹⁵ House of Commons Library (2015), *The Benefit Cap*. Briefing paper number 06294.
<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06294#fullreport>

¹⁶ <http://www.homeless.org.uk/connect/blogs/2015/dec/17/proposed-extension-of-lha-to-registered-providers>

¹⁷ <http://www.homeless.org.uk/connect/blogs/2016/jan/26/capping-of-social-housing-rents-what-impact-will-it-have-on-your-service>.

¹⁸ <http://www.homeless.org.uk/connect/blogs/2016/jan/28/government-confirms-1-rent-reduction-will-not-apply-to-supported-housing>

Homeless Link's 2015 report into youth homelessness notes that nearly half of temporary accommodation residents are young people aged 16–24. There is a contrast between voluntary sector homelessness providers, who are accommodating more young homeless people and local authorities, who are seeing fewer. This suggests that statutory homelessness has been off-set by other forms of homelessness. The leading cause of homelessness continues to be parents or carers no longer willing to accommodate. The report also notes a rising proportion of young women in homelessness services compared to the 2014 survey (46%, up 6%).²¹

3.3.2 Women

Homeless Link's 2015 research briefing notes that around 30% of people using homeless accommodation services are women. This increases to 46% in youth homelessness services, of which 5% are pregnant or young parents. These figures are likely to be an under-representation as women are more likely to be hidden homeless than men.²² Referencing St Mungo's *Rebuilding Shattered Lives* report the briefing notes that homeless women are more likely to have complex needs, which make recovery from homelessness more challenging.²³ Referencing a 2014 report by Crisis the briefing notes that a higher proportion of homeless women have a diagnosed mental health problem and/or self-harm than men.²⁴ In Homeless Link's youth homelessness report experience of sexual abuse and/or assault was heavily concentrated among female respondents.

Commonweal's report notes that women make up a growing proportion of the homeless population.²⁵ Homeless women have differing needs to homeless men, e.g.: many have experienced domestic violence and have had their children adopted or taken into care. Referencing Homeless Link's 2013 SNAP report it notes that women recover more quickly in women-only services, but that the proportion of these services has decreased from 12% - 8% between 2012-13.²⁶ This is likely to further increase homelessness.

A 2012 report on women rough sleepers who are victims of domestic abuse noted that over half of participants in the research had problems relating to mental health, drug and/or alcohol misuse and that around a third had

¹⁹ Crisis (2015), *About homelessness*.

www.crisis.org.uk/data/files/publications/Homelessness%20briefing%202015%20EXTERNAL.pdf

²⁰ Heriot Watt University and the University of York (2013), *The Homelessness Monitor*.

<http://www.crisis.org.uk/data/files/publications/HomelessnessMonitorEngland2013.pdf>

²¹ Homeless Link (2015), *Young & Homeless 2015*. www.homeless.org.uk/sites/default/files/site-attachments/201512%20-%20Young%20and%20Homeless%20-%20Full%20Report.pdf. This is the fifth annual report. Findings are based on two surveys with voluntary sector homeless providers and local authorities. This report is based on 257 responses.

²² Homeless Link (2015), *Women and homelessness*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Homeless%20Link%20-%20women%20and%20homelessness%20briefing.pdf>

²³ St Mungo's (2013), *Re-building shattered lives: the final report*. <http://www.mungos.org/documents/4752/4752.pdf>. Findings are based on contributions from 221 individuals, services and organisations and 60 in-depth interviews with women using St Mungo's services.

²⁴ Mackie, P and Thomas, (2014), *Nations Apart? Experiences of single homeless people across Great Britain*. <http://www.crisis.org.uk/data/files/publications/NationsApart.pdf> This is based on a survey of 480 homeless people.

²⁵ Commonweal (undated), *Rough Justice: uncovering social policies that cause homelessness*. <http://www.commonwealhousing.org.uk/read-the-newly-launched-rough-justice-report-here>. This report consists of views of sector experts. The chapter on women's homelessness is authored by Howard Sinclair, Chief Executive of St Mungo's.

²⁶ Homeless Link (2013) *Survey of needs and provision 2013* http://homeless.org.uk/sites/default/files/SNAP%202013%20Final%20180413_2.pdf

been in trouble with the police. It recommends additional women-only services and better access to employment, training and education for this group.²⁷

3.3.3 Lesbian, Gay Bi-Sexual and Transgender (LGBT)

Albert Kennedy Trust's 2015 report notes that LGBT young people are more likely to find themselves homeless than their non-LGBT peers and comprise up to 24% of the youth homeless population. There is a lack of specialised accommodation options for LGBT people and they are also at significantly increased risk of experiences linked to homelessness, including: parental rejection, physical, sexual and emotional abuse and familial violence.²⁸

3.3.4 Black, Asian, Minority Ethnic and Refugee (BAMER)

A 2014 report for Centre for Social Justice and Change notes the impact of recent Welfare Reform changes on refugee families in London. Tougher sanctions and conditionality make access to welfare benefits, especially for refugees with limited knowledge of English, more difficult. The introduction of the Benefit Cap in particular has decreased disposable income and makes accommodation in London less affordable. This in turn may impact on refugees' employment/employability and physical/mental health.²⁹

A report by the East European Advice Centre in 2013, based on a survey and focus groups with 512 people, indicates that Eastern Europeans are disproportionately represented in the rental market (83% against the London average of 49%), with the vast majority of these being in the PRS. 80% of the participants were in employment, with a low level of benefits dependency. Older Eastern Europeans may be disadvantaged in the job market because of their lack of knowledge of English.³⁰

3.4 Feedback from stakeholders on homelessness/emerging needs and policy areas which are of concern

This section sets out the main themes and areas of consensus from qualitative interviews held with six stakeholders: London Councils Executive member for housing, Chair of London Housing Directors Group and Homeless Link's Policy Manager – who gave a pan-London perspective; representatives from one inner and two outer London boroughs.

Stakeholders were asked to comment on: recent trends in homelessness and emerging homelessness needs in London, the impact of Welfare Reform and other recent/forthcoming funding and policy changes and possible links between homelessness and unemployment.

²⁷ Moss, K and Singh, P (2012), *Women rough sleepers who are the victims of domestic abuse*. Available from: http://womenroughsleepers2.eu/index.php?option=com_content&view=featured&Itemid=101. Findings are based on interviews with a sample of 20 rough sleepers.

²⁸ Albert Kennedy Trust (2014), *LGBT Homelessness: A UK Scoping of Cause, Prevalence, Response and Outcome*. www.akt.org.uk/webtop/modules/repository/documents/AlbertKennedy_ResearchReport_FINALInteractive.pdf

²⁹ Centre for Social Justice and Change (2014), *21st Century London Outcasts: Welfare Reforms and Their Impacts on Refugee Families Living in London*. Working Paper Series No. 1. <http://www.uel.ac.uk/csajc/documents/21stCenturyOutcastWP1.pdf>. Findings are based on interviews with 5 refugee families and 7 welfare experts.

³⁰ East European Advice Centre (2013), *A Peer-led Study of the Issues Faced by East Europeans in London*. <http://eeac.org.uk/files/East-Europeans-in-London-December-2013.pdf>

3.4.1 Overall trends in homelessness in London

Stakeholders noted a number of trends in the incidence and nature of homelessness in London. In relation to statutory homelessness applications/acceptances the most significant trend has been the increase in evictions due to ASTs ends in the PRS. One outer London borough stakeholder noted that PRS tenancy ends have become the overwhelming reason for statutory homelessness applications in their local area.

Stakeholders noted that, aside from individuals who have particular vulnerabilities which might create a statutory duty, they are unlikely to regularly meet with non-statutory homeless people. They therefore did not feel qualified to provide detailed comments on this group as a whole. Several stakeholders noted an increase in rough sleeping, e.g.: as evidenced via street count numbers. Stakeholders consider that local authorities are committed to maintaining current resource levels for rough sleeper services. However, outer London borough stakeholders noted it can be difficult to provide an effective local response as funding of local rough sleeper services is based on historical, i.e.: lower numbers of rough sleepers. This lack of funding may place additional pressure on other local services, e.g.: health and youth offending.

Several stakeholders considered it likely that hidden homelessness is also increasing. Whilst rises in this type of homelessness cannot be easily quantified it is sometimes possible to assume them by proxies, e.g.: the number of homelessness presentations by young people who have been asked to leave the family home due to overcrowding. One stakeholder linked increasing hidden homelessness and decreasing affordability at lower end of housing market.

3.4.2 Underlying causes/drivers of homelessness

London housing market conditions

Stakeholders consider a major factor in increasing homelessness is the functioning of the London housing market – particularly the combination of rapidly increasing rents in many areas and high demand in all sections of the PRS. The increasing use of the PRS by more affluent sections of the population, such as young professionals, is considered to be driving some landlords to exit the Housing Benefit section of the market in favour of perceived higher rental returns elsewhere. This is reducing the availability of affordable housing for low-income and homeless families. Some stakeholders also linked housing market conditions to statutory homelessness, i.e.: evictions in the PRS arising from landlords' decisions to sell property/re-let for higher returns, rather than rent arrears or other 'fault' on the part of the tenant.

The impact of Welfare Reform and other recent policy/funding changes on homelessness

Stakeholders were not always able to identify how individual policy changes had impacted directly on homelessness. Some considered changes in homelessness were the result of a series of welfare benefits and other changes over time.

The biggest single policy/funding change identified by stakeholders is restrictions in LHA levels, i.e.: limiting LHA to the 30% percentile (of market rent) and the upcoming freeze in LHA rates. Borough representatives related this primarily to accommodating statutory homeless households – though one stakeholder also mentioned the negative impact of LHA changes on homelessness prevention work. Stakeholders also consider the impacts of LHA changes need to be viewed in the context of London housing market conditions outlined above. Stakeholders consider that setting LHA at the 30% percentile means that LHA rates are not keeping pace with actual London market rents and this is leading to 'severe mismatch' in most areas. The measure has significantly decreased the - already fairly limited - supply of affordable PRS accommodation in London over recent years for statutory and probably also non-statutory homeless people. This differential can

also be a driver for PRS landlords to exit the Housing Benefit market. There may be a disproportionate impact for boroughs with a high level of PRS stock.

Discussions highlighted that LHA changes may produce some distributional impacts in relation to homelessness. Several borough representatives noted the (sometimes extreme) difficulty of sourcing PRS accommodation locally for statutory homeless households which meets affordability and suitability requirements and the consequent increase in out of borough placements for this group. Two stakeholders noted a trend towards out of borough placements in outer London areas. One of these commented that displacement from inner London is contributing to rent inflation, taking local rents further above LHA rates and thus increasing unaffordability. Another outer London stakeholder noted the likelihood of the receiving borough incurring a statutory housing duty in the case of subsequent tenancy failure. They also highlighted that information in relation to vulnerable households placed out of borough is not often shared. This makes it difficult to carry out effective homeless prevention work and increases the risk of homelessness.

Stakeholders also associate the extension of SAR with increased homelessness. Some noted the difficulty of accurately calculating SAR, either because rental agreements may be more informal in this section of the PRS market or because there is variation between which utilities and other costs are included in the rental charge. This issue is considered likely to increase the gap between LHA rates and actual rents, thus further reducing affordability.

Stakeholders noted that the extension of SAR increases demand for shared accommodation and the potential for higher rental returns for landlords than in smaller self-contained properties. One outer London stakeholder has observed a trend towards creation of HMOs in their local area in response to this change. However, other noted that current stock profile may make it difficult to meet demand in some boroughs in the near future. Other local factors, such as licensing schemes, whilst improving the physical quality of accommodation, may also be limiting the availability of shared housing. This increases demand for existing stock and may affect rent levels.

Two stakeholders noted the increasing proportion of vulnerable people being accommodated in shared accommodation as a result of the extension of SAR. One of these highlighted the potential this creates for exploitation of tenants by rogue landlords. Another noted that landlords may be reluctant to provide accommodation for this group as they perceive this will incur additional housing management costs. Whilst PRS access schemes can incentivise landlords to accept vulnerable tenants, at present funding for such schemes is not available to meet the scale of anticipated need.

Discussions did not highlight any potential distributional impacts on homelessness as a result of SAR.

Impacts of other policy and funding changes

Discussions/stakeholders consider a number of other changes are impacting on homelessness:

- *Benefit Cap reduction* – this is perceived as likely to further decrease the affordability of self-contained accommodation. As the Benefit Cap does not have an inner/outer London variation it is less sensitive than LHA to local housing costs. This may further incentivise local authorities to accommodate homeless households in outer London boroughs. One outer London stakeholder considers that larger homeless households (those requiring larger 4+ bed properties) will be unlikely to be accommodated anywhere in London due to the Benefit Cap.
- *Application of LHA rates to supported housing* – stakeholders perceive this as posing a serious threat to the viability of voluntary sector housing provision for single homeless people.
- *Discretionary Housing Payments (DHP)*: One stakeholder considers there is an over-reliance on the part of Government on DHP as a mechanism to assist local authorities with housing costs. The use of DHP to meet housing costs will become especially difficult due to budget cuts in 2015 (from £165M to

£125M). These cuts may disproportionately impact on single homeless people as priority for spending is likely to be on statutory homeless households.

Roll-out of Universal Credit – one outer London stakeholder considered that this may also increase landlords' uncertainty about renting to low-income households and lead some to leave the HB section of the market.

The cost of providing temporary accommodation (TA)

One stakeholder highlighted that failure to increase the TA management fee – currently set at £40 per week in London - means that many boroughs are currently having to subsidise TA costs, e.g.: via their own Council Tax budgets. This reflects the finding of a recent report for London Councils that many London boroughs are reporting substantial shortfalls between the subsidy provided and the actual cost of meeting TA need.³¹

One stakeholder noted a trend in landlords who previously leased accommodation to local authorities moving towards letting rooms/properties at a nightly charge at slightly below typical B&B rates. This change in behaviour increases local authorities' costs. This also reflects findings in the recent London Councils report mentioned above.

3.4.3 Perceived impacts of policy/funding changes on equalities groups

Stakeholders commented it may be difficult to identify trends in homelessness in relation to individual groups. However, some impacts were noted:

- The Benefit Cap affects larger families and these are disproportionately likely to be BAME.
- The extension of SAR impacts on younger people. One stakeholder noted a recent increase in homeless in the 25 – 34 age group. As noted above, the extension of SAR has increased the number of vulnerable people in shared accommodation, who unless they are given additional support are at risk of tenancy failure and subsequent homelessness. One stakeholder noted the particular impact of LHA changes on smaller properties, which are more likely to contain younger people.
- One stakeholder noted it is very difficult to procure adapted property of any size, especially larger property, for disabled people.
- The rising proportion of non-UK nationals in the rough sleeper population may be linked to recent welfare benefits changes, which make it more difficult for some EEA nationals to claim Housing Benefit.³²

3.4.4 Links between homelessness and unemployment

Most stakeholders consider there is a clear link between homelessness and unemployment at an individual level, but are uncertain about a possible geographical relationship. One stakeholder noted that where single homeless people have additional support needs it is difficult for them to find and keep work. Other stakeholders noted a recent trend towards increased employment within statutory homeless households and a

³¹ Rugg, J (2016), *Temporary Accommodation in London: Local Authorities under Pressure*. <https://www.york.ac.uk/media/chp/documents/2016/Temporary%20Accommodation%20in%20London%20report%20%20FINAL%20VERSION%20FOR%20PUBLICATION.pdf>

³² See Homeless Link (2014), *Working with EEA Migrants*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Working%20with%20EEA%20Migrants%20Dec%202014.pdf>

link between homelessness and low income, as a result of low wages and high rents/lack of affordable housing. One outer London stakeholder noted the preference given in their borough's Housing Allocations Policy to those in employment. Similarly, one stakeholder noted the incentive being created by the Benefit Cap for homeless people to work 16 hours per week as a means of creating an exemption. However, low wage levels means that many of these are not seeking full-time work.

3.5 Conclusions and recommendations

The work demonstrates there is a clear need for additional resources to be allocated in outer London areas. The PRS is now extensively used to accommodate both statutory and non-statutory homeless households and it is evident that there is also a significant number of tenancy ends in this sector. However, there is often a lack of tenancy support for people living in this tenure. It would therefore be worthwhile exploring where current gaps in provision are and the possibility of commissioning services offering either tenancy sustainment and/or brief interventions, either on a borough or sub-regional basis.

More needs to be understood about the upward trend in outer London rough sleeping figures, the causes and the current capacity of boroughs to provide an effective response to the increasing need. It is clear that more needs to be done on prevention, and further intelligence on the reasons for the increases needs to be gathered in order to inform future commissioning priorities. The results of the No First Night Out ³³ (NFNO) pilots may also be of interest in terms of how successful the prevention strategies used have been and lessons learned for future interventions.

The comparatively large geographical area of outer London boroughs and wider geographical spread of rough sleepers means that delivering outreach services in these areas is likely to be proportionately more expensive than in inner London. To inform the commissioning process and subsequent resource allocation it would be useful for London Councils to analyse current spend in inner and outer London on a per rough sleeper basis. Based on the findings of this analysis there may be scope for GLA and London Councils funding to be applied differently to meet changing needs. One option might be to increase the capacity of the current London Street Rescue Service.

The work indicates that comprehensive information about vulnerable homeless households is not always shared between referring and receiving boroughs. The 'Notify' system enables local authority housing departments to share relevant information with London's 32 local authorities and the City of London. Notify enables referring boroughs to share comprehensive information about their statutory homeless households with receiving boroughs. It should be noted that, while boroughs do not always provide all the data requested, this is partly because some data fields are non-mandatory. A Review of Notify that focused on use of the system concluded late 2015. Recommendations are being implemented which include modifying the current Notify system. London Councils strategic policy group are leading further discussions regarding how boroughs effectively share information about the movement of vulnerable people.

Whilst robust data relating to statutory homelessness and rough sleeping is available there is little data or research evidence relating to other forms of non-statutory homelessness. There also is a need for further research into the impact of recent and potential forthcoming policy changes on homelessness in relation to individual protected equalities groups. In particular the 1% rent reduction in social housing and the proposed cap to LHA rates.

³³ No First Night Out – Help for Single Homeless People is a tri-borough 18 month project, working across Tower Hamlets, Hackney and The City of London, piloting new approaches to prevent individuals from rough sleeping for the first time (No First Night Out Service) and ensuring those already rough sleeping are able to access housing in the area where they have a local connection.

4.0 APPENDIX – list of research reports used in this report

Albert Kennedy Trust (2014), *LGBT Homelessness: A UK Scoping of Cause, Prevalence, Response and Outcome*.

www.akt.org.uk/webtop/modules/repository/documents/AlbertKennedy_ResearchReport_FINALInteractive.pdf

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<http://www.crisis.org.uk/data/files/publications/HomelessnessMonitorEngland2013.pdf>

Homeless Link (2013) Survey of needs and provision 2013

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Homeless Link (2014), *Working with EEA Migrants*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Working%20with%20EEA%20Migrants%20Dec%202014.pdf>

Homeless Link (2015), *Young & Homeless 2015*. www.homeless.org.uk/sites/default/files/site-attachments/201512%20-%20Young%20and%20Homeless%20-%20Full%20Report.pdf. This is the fifth annual report. Findings are based on two surveys with voluntary sector homeless providers and local authorities. This report is based on 257 responses.

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What we do

Homeless Link is the national membership charity for organisations working directly with people who become homeless in England. We work to make services better and campaign for policy change that will help end homelessness.

Let's end homelessness together

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