

Shelter

Opposition Day Debate: Homelessness

Summary:

Shelter helps millions of people every year struggling with bad housing or homelessness – and we campaign to prevent it in the first place. We're here so no one has to fight bad housing or homelessness on their own.

Despite significant policy intervention, homelessness is rising. The number of households living in temporary accommodation and the number of people sleeping rough on a given night have risen for the last five years. The number of households coming to their council and being found to be homeless and in priority need is over a quarter higher than five years ago.

Homelessness is not inevitable – it can and should be prevented. But growing housing market unaffordability, the reduction in social rented homes, restrictions to housing benefit, and cuts to housing support have undermined local attempts to prevent homelessness.

In order to tackle the root causes of homelessness, we need to build 250,000 homes a year, half of which are genuinely affordable to people on low and average incomes. There are also significant steps the government should take in the shorter-term to help ease the housing crisis and decrease the risk of homelessness for many – including **reversing the freeze on Local Housing Allowance rates** and **introducing 5 year minimum tenancies with predictable rent increases**.

Key statistics

- Over **120,000 children** in Britain face spending this Christmas homeless and in temporary accommodation, the highest level recorded since 2007.
- Shelter estimates that, at a minimum, **a quarter of a million people** are homeless in Britain today. This does not include the 'hidden homeless'.
- The number of families living in emergency B&B and hostel rooms in Britain has **risen by 18% in just a year**.
- The leading cause of homelessness is the **ending of an Assured Shorthold Tenancy**. In the last year, **one third of households** in England who became homeless did so when their private rented tenancy ended.
- The current freeze on Local Housing Allowance rates could put many working families at risk of rent shortfall, arrears and eviction – pushing them closer to homelessness. The current policy could mean that by 2020, families in **four-fifths of the country** could see a gap between the support they need to pay their rent and the maximum support they can get. **330,000 working families could be hit**.

Root causes of homelessness

Ultimately, homelessness arises as a consequence of failures in the housing system, which result in ordinary families being unable to access a suitable home without help. Personal or social problems (such as relationship breakdown, domestic violence or health problems) can lead to the loss of a home, and can exacerbate problems in finding and keeping another. But if alternative accommodation were more readily available, then it would be much easier for those with even the most complex needs to avoid homelessness.

- **People are becoming homeless in areas where housing is unaffordable**

Homelessness is particularly concentrated in London boroughs and some big cities. Analysis by Shelter shows that homelessness is more likely to occur in areas with high house prices, a large private rented sector and income inequality. Levels of homelessness don't appear to be correlated with measures of deprivation such as low educational attainment or poor health. Work is not a guaranteed route out of poverty. Shelter analysis of benefit statistics suggests that one-third of homeless households in temporary accommodation have at least one person in work. This rises to almost half of homeless households in London.

The overall benefit cap is also a driver of homelessness and the new, lower cap will put even more families at risk of losing their home. The overall cap can reduce some households' Housing Benefit entitlement to just 50p a week. Shelter analysis found that an arbitrary cap is incompatible with England's high and variable private rents.

In the long term, the government needs to be building 250,000 homes a year, half of which are genuinely affordable to those on low and average incomes. Building these homes will meet demand and help stabilise prices so the gap between housing costs and incomes can begin to reduce.

Shelter recommendation - Reverse the freeze on Local Housing Allowance rates: In the short-term, the Government must ensure that housing benefit reflects actual housing costs, or tenants will be forced to make up unaffordable shortfalls. If the current freeze on Local Housing Allowance rates continues, by 2020 families in four-fifths of the country could face a gap between the support they need to pay their rent and the maximum support they are entitled to. Some 330,000 working families are likely to be affected. In order to help the many private tenants who could be at risk of homelessness because of the freeze, the Government must review Local Housing Allowance rates and ensure that housing benefits reflect actual housing costs.

- **People are becoming homeless because of the instability of private renting**

The ending of an Assured Shorthold Tenancy (AST) is now the leading cause of homelessness in the UK. In the last year, one third of households who became homeless did so when their private rented tenancy ended.

Shelter recommendation - Private renters must be able to access Stable Rental Contracts: This would give them security of tenure for five years with predictable and affordable rent increases. This would dramatically improve stability in the private rented sector and recognise the needs of the growing number of renting families.

- **People are becoming homeless as they face high new barriers to finding a new home**

Homelessness can be less about the loss of a home and more about the inability to find new accommodation after this initial loss. Homelessness should not just be attributed to what causes people to lose their home, but also the barrier to finding a new one.

This is particularly the case for families and those in receipt of Housing Benefit. Our recent in-depth interviews with people who had become homeless due to eviction found that often people were not struggling with their housing until they were issued with an eviction notice.

The main barriers to finding a new home were finding a home that they could afford on their incomes, and finding a landlord who would let to them using housing benefit. Our research finds that two-thirds of landlords surveyed say they do not, or would prefer not to, let to people on housing benefit.

Steps to tackle homelessness – Making prevention work

The government has announced its support for the Homelessness Reduction Bill. We support the aims of the Bill, particularly the emphasis on prevention of homelessness; the new duty to assist those threatened with homelessness within 56 days will be very positive for all those facing homelessness.

New duties to assess, prevent and relieve homelessness for all eligible applicants could be a big step forward in reducing homelessness, especially among non-priority households who are currently not entitled to rehousing.

However, changes in legislation cannot and will not be effective in isolation. Legislative change will have a muted effect without an increase in the availability of suitable housing in the areas where homelessness is most prevalent. There is an urgent need to increase the supply of homes of all tenures, but especially affordable low-rent homes.

Shelter recommendation - Suspend the forced sale of high value council homes beyond 2018: In order to carry out effective homelessness prevention work, local authorities desperately need an increase in the supply and availability of affordable housing. Perversely, measures in the Housing and Planning Act 2016 would dramatically reduce the number of affordable properties available to many local authorities – namely, through the forced sale of high value council homes. We welcomed the recent government announcement that this policy will be delayed until 2018. We recommend the government suspend this policy indefinitely and explore alternative funding models for the extension of the Right to Buy, such as Help to Buy style equity loans.

If you require any further information, please get in touch with Poppy Terry on 0344 515 2274 or poppy_terry@shelter.org.uk