

Shelter Briefing: Backbench Business Debate on Temporary Accommodation

Summary:

Shelter helps millions of people every year struggling with bad housing or homelessness – and we campaign to prevent it in the first place.

Since 2010, there has been a sharp increase in the number of low-income families living in Temporary Accommodation (TA) and worrying trends around how TA is utilised. With a lack of available social or private rented properties for families to move on to, increasingly families are trapped in TA for long periods of time. Some TA stock has inadequate amenities and health and safety standards, and some families are being forced to stay in B&Bs for longer than is legal. This is having a detrimental impact on the well-being and life chances of children. Further, many households helped into TA before being permanently rehoused are now being forced to move to a new area. **While TA can provide a helpful immediately remedial solution to those facing homelessness, the quality should be at a high standard, suitable for families.**

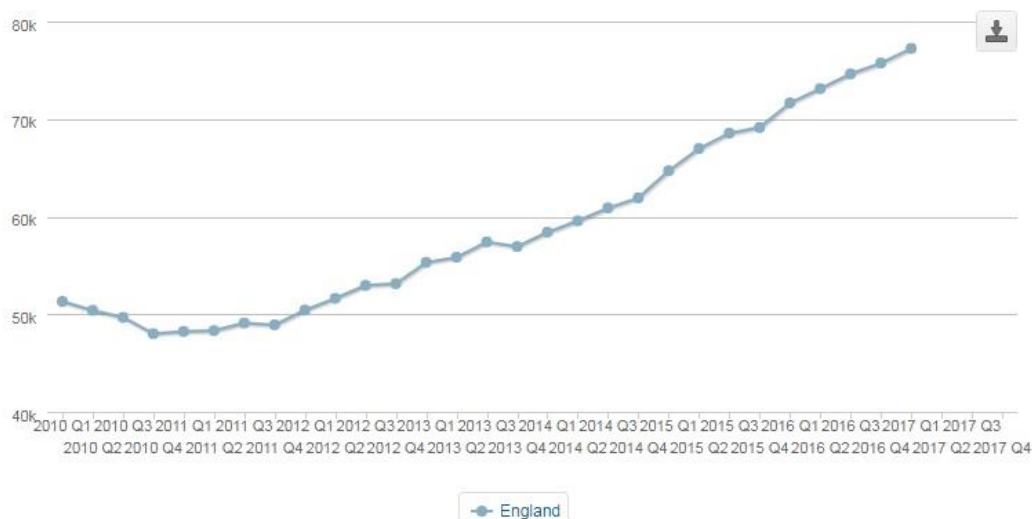
An underlying cause for the sharp rise in reliance on TA is the general increase in homelessness. This has been driven by the loss of tenancies in the private rented sector, which has been fuelled by the freeze to housing benefit in the private rented sector (Local Housing Allowance, LHA). As current LHA rates are no longer adequate to cover the cheapest rents in 79% of local authorities in England, pressure is building on LA homelessness services and many of those trapped in TA are unable to move on because there is a lack of affordable privately rented homes available to them.

We urge the government to re-align LHA rates to match the bottom 30th percentile of the private rented market, to alleviate pressure on costly and inappropriate TA as a housing solution for families. Further, there should be a review of the funding available to local authorities to ensure they can procure suitable TA and out of area placements should only occur in-line with legal requirements.

Sharp increase in TA and length of stay

Homelessness has risen dramatically across a range of measures since 2010-11. At the end of March 2017, there were 77,240 households in TA, an increase of 60% since March 2011.¹

Households in Temporary Accommodation



Shelter Housing Databank

¹ Department for Communities and Local Government, Homelessness live tables, Table 782, 2017, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

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Those households contain 120,540 children, an increase of 73%.² Many households are living in TA for prolonged periods of time, which is not suitable for the health and well-being of children in particular. Government data finds that 25% of people leaving TA in the last quarter had been living there for a year or more.³ Through our services work, we know that many more are stuck for much longer.

Drivers of increased reliance on TA

Statutory homelessness has been driven by the loss of private tenancies. The National Audit Office (NAO) show that this is responsible for three-quarters (74%) of the growth in households qualifying for temporary accommodation, stating:

‘The ending of private sector tenancies has overtaken all other causes to become the biggest single driver of statutory homelessness in England.’⁴

The NAO’s evidence shows a clear link between welfare cuts and homelessness and specifically, the freeze to LHA. The government has made a number of changes to the way LHA is calculated – the most recent being a four-year freeze on rates from April 2016.⁵ As a consequence, LHA rates have failed to keep pace with rents at the bottom 30th percentile of local markets.

Families have seen the shortfall between their eligible LHA rate and local rents to levels grow year-on-year.⁶ This is putting households at increased risk of rent arrears and homelessness. Shelter’s research suggests that by 2019/20 if the freeze is not undone, 83% of areas in England will be unaffordable to LHA claimants and a million households will be at risk of homelessness.⁷

The freeze to LHA is responsible for contributing to a rise in the number of low-income families turning to councils for homelessness support once they are evicted (and therefore increasing numbers in TA) and also preventing families from leaving TA as there is limited private sector properties available for them to access with current LHA rates.

Cost of TA

The cost of TA is often very high, and market competition drives up prices. Most of the cost of TA is met by housing benefit, however households in work are often expected to meet part or all of the rent. When housing benefit does not fully cover TA costs and households are unable to meet the full rent, local authorities are often forced to top up the cost themselves.

² National Audit Office, 2017, Department for Communities and Local Government: Homelessness Report, <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf>

³ DCLG, Homelessness statistics, Q2 2017, Table 779, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

⁴ Ibid

⁵ Department for Work and Pensions, 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

⁶ Shelter, 2017, Shut Out: The barriers low-income households face in private renting, https://england.shelter.org.uk/_data/assets/pdf_file/0004/1391701/2017_06_-_Shut_out_the_barriers_low_income_households_face_in_private_renting.pdf

⁷ Shelter, 2017, Shut Out: The barriers low-income households face in private renting, https://england.shelter.org.uk/_data/assets/pdf_file/0004/1391701/2017_06_-_Shut_out_the_barriers_low_income_households_face_in_private_renting.pdf

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The NAO's recent Homelessness Report finds local authorities spent £1.15bn on homelessness services during 2015-16. Over three-quarters of this – £845m – was spent on TA. Three-quarters of this spending – £638 million – was funded by housing benefit, of which £585 million was recovered from the Department for Work & Pensions. Spending on TA has increased by 39% in real terms since 2010-11.⁸ Due to housing benefit cuts, options to procure TA have been restricted, which is one of the reasons why suitability has been compromised.

A report from the University of York for London Councils found the likely cost of temporary accommodation across London in 2014/15 was close to £663m.⁹ The level of expenditure met by London boroughs specifically from their own General Funds can be estimated at just over one quarter of that cost, or £170m.

Welfare changes and increasing demand from private renters have led to landlords moving into non-benefit markets and away from long-term lease arrangements with local authorities. Increasingly, landlords are instead charging a nightly rate for TA stays, which allows them to charge more in rent. This further pressure on housing benefit is pushing up the proportion of council budgets allocated to managing homelessness locally.

Conditions in TA

There is considerable variation in the standards and conditions in TA across the country. Extreme overcrowding, disrepair, infestations and poor safety standards are commonplace, as our Green Book report finds.¹⁰

Some TA has strict rules around what families can do within each unit and if guests are able to visit. The lack of space, freedom and security also has knock-on effects on the health and well-being of families occupying TA. Access to cooking facilities is also an issue. What is available to residents varies substantially and families without them have to spend a lot on eating out and can struggle to eat healthily.

Educational attainment and mental health are some of the wider health and social aspects that can be affected by poor quality TA.

Movements out of area

Increasingly families in TA are being moved out of area¹¹. Most London local authorities appear to be using accommodation out of area as a matter of course. 36% of London households are in TA out of area and it's 11% in the rest of England.¹²

⁸ National Audit Office, 2017, Department for Communities and Local Government: Homelessness Report, <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf>

⁹ Temporary Accommodation in London: Local Authorities under Pressure, 2016, Centre for Housing Policy, University of York, <http://www.londoncouncils.gov.uk/sites/default/files/Temporary%20Accommodation%20in%20London%20report%20%20FINAL%20VERSION%20FOR%20PUBLICATION.pdf>

¹⁰ The Green Book Report, 2016, Shelter, http://www.shelter.org.uk/_data/assets/pdf_file/0003/1307361/GreenBook_-_A_report_on_homelessness.pdf

¹¹ Home and away: The rise in homeless families moved away from their local area, 2016, Shelter, https://england.shelter.org.uk/_data/assets/pdf_file/0007/1267297/Home_and_Away_Out_of_Area_Briefing_2016_05_23.pdf

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The majority of households are placed within London, however increasing numbers are being housed further afield. It can be extremely difficult for families who are asked to move long distances to unknown areas at very short notice.

Solutions to decrease reliance on TA

As a major driver of the rise in homelessness and reliance on TA is linked to the loss of an AST, and the lack of private rented sector affordability is at contributing to evictions, we urge government to end the four-year freeze to LHA as a matter of urgency.

The freeze to LHA is a false economy as it just increases costs elsewhere. Costs to local authorities in the form of increased homelessness duties and usage of TA. Costs to landlords associated with evicting tenants, not to mention the wider social costs to health and educational attainment.

If you have any questions or would like any further details, please feel free to contact charlotte_gerada@shelter.org.uk or call 0344 515 1279.