

## Policy: briefing

# Housing advice

Central and local government must maintain current spending on housing advice. If cut, homelessness and its related costs will increase significantly.

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**Over 1.2 million adults have problems with their rented housing; over half a million adults have problems with homelessness.**

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For every £1 of legal aid expenditure on housing advice, the state can save £2.34

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### The growing need for publicly funded housing advice

Housing problems affect a great many people. Shelter estimates that in any one year in England and Wales:

- over 1.2 million adults have problems with their rented housing
- over 820,000 adults have problems with the homes they own
- over 560,000 adults have problems with homelessness<sup>i</sup>

Problems are increasing as a result of the recession.

- In 2009 councils reported an increase in demand both for advice services and for social housing as a result of the economic downturn<sup>ii</sup>.
- A Ministry of Justice review found that the demand for housing advice has risen by 14 per cent.<sup>iii</sup>
- Homeless Link found that homelessness organisations have seen a 64 per cent increase in demand for their services as a result of the recession.<sup>iv</sup>
- Over 47,000 homes were repossessed across the UK in 2009 and many more households are struggling to pay their mortgage<sup>v</sup>.

Furthermore, the planned changes to housing benefit will affect over 900,000 claimants. This will increase the demand for advice to help those affected to manage their rent or to find a new home.

### Helping the most vulnerable

The housing system can be difficult to navigate alone. Most people with a housing problem will need some sort of information or advice. However, those most likely to have housing problems (people with a disability or long-term illness, lone parents and those claiming benefits) are often the least able to pay for advice.

The Ministry of Justice spends £2bn per year on legal aid, however less than 5% of this is on housing advice and casework. Publicly funded legal aid ensures that the poorest and most vulnerable can obtain advice on:

- housing rights and responsibilities
- resolving disrepair
- addressing rent arrears and avoiding eviction

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## CASE STUDY

*Anna is a working mother of three. She fell behind with her rent when her ex-partner failed to pay child support. Soon afterwards, an administrative error meant she stopped receiving her tax credits.*

*Despite telling her landlord of her difficulties, Anna received an eviction notice. She agreed to make weekly payments to reduce her arrears, but as her tax credits continued to be withheld, she could not pay. A second eviction notice was served. Then, Anna's grandfather died.*

*Anna contacted Shelter who represented her at court and were able to get the eviction suspended. Anna said "At court I was really distraught but the Shelter representative spoke on my behalf throughout the proceedings – I don't think I could have done it on my own. Now my finances are starting to fall into place and I can start looking forward."*

- avoiding rough sleeping and destitution
- accessing statutory homelessness assistance including temporary and permanent accommodation
- challenging incorrect housing decisions

However, only those who pass both a means test and a merits test are eligible.

The 2002 Homelessness Act rightly recognises that access to housing advice can prevent homelessness and so places a duty on councils to provide it. Unlike means-tested legal aid, local authority housing advice is provided free of charge to everyone in a local authority area. This is important as struggling homeowners, for example, may be ineligible for legal aid, but nonetheless need advice to help prevent repossession.

Typically local authorities provide:

- a 'housing options' service, offering information, signposting and advice on individual housing choices;
- rent deposits to help people obtain tenancies in the private rented sector; and
- mediation services to help resolve household tensions that could lead to homelessness.

## Why should housing advice be publicly funded?

Public funding is the only way to ensure adequate provision of housing advice for the most vulnerable, regardless of where people live or the kind of housing difficulties they face.

Public funding has played a pivotal role in promoting early intervention before housing problems escalate.

It also provides a crucial safety net for those whose situation has reached crisis point. An example of this is the publicly-funded **Housing Possession Court Duty Scheme, which provides free legal representation at repossession hearings and is successful in preventing immediate repossession in 85% of cases where people attend court.**

It is timely to discuss ways to supplement the public funding of housing advice, but evidence shows that there are no complete alternatives:

- As key providers of advice, charities use corporate and voluntary funding for some of their advice services. Such funding streams supplement state funding, but are too ad-hoc in nature to replace it.
- Legal expenses insurance could help to cover the cost of advice for people currently ineligible for legal aid. However, experience from other countries shows that the poorest and most vulnerable generally find regular insurance premiums unaffordable or cancel such policies in times of financial difficulty when they are most needed.

Shelter, the housing and homelessness charity.  
Until there's a home for everyone.

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[shelter.org.uk/policybriefings](https://shelter.org.uk/policybriefings)

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**Mortgage debt advice costs on average £229 per case; in contrast the repossession of a vulnerable household is estimated to cost the taxpayer £16,000.**

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Research confirms both better outcomes for those who obtain advice as well as undeniable savings for the public purse.

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Research confirms that the public funding of advice provides savings for the public purse:

- **Citizens Advice recently demonstrated that every £1 of legal aid spent on housing advice, saves the taxpayer £2.34.**
- **Shelter's mortgage debt advice costs the state on average £229 per case. While in contrast, figures from CLG estimate that repossessing the home of a vulnerable household can lead to housing benefit costs alone of £16,000 per case** - without taking account of local authority time and expense in processing a homelessness application or any other support that may be needed. This could be as high as £34,000 in some cases, according to the New Economics Foundation.

### **How do people obtain housing advice?**

Housing advice is provided by a range of organisations (e.g. community organisations, charities, private practice solicitors, local authorities) and it is delivered in different locations (e.g. advice centres, via outreach into people's homes, prisons, community centres). Advice is delivered through a variety of channels, each with merits, depending on the needs of the client and the nature and stage of the housing problem:

- Telephone helplines can make it easier for those with housing problems to reach an adviser promptly and get the ball rolling to resolve their problem. However, once contact is established, other channels may be used to deliver advice and casework.
- Increasingly web-advice and online tools play an essential role in providing housing information and advice for those able to navigate themselves through the system.
- Face-to-face advice and casework is necessary in order to address complex problems. Those who need translation, who have papers which need to be considered, or with sensitive and difficult stories to tell, can benefit from seeing a local adviser, in person, who has knowledge and expertise in local services and housing options. Face-to-face advice and casework helps to develop a strong relationship between the adviser and the client. This leads to better information flows and ultimately more accurate and appropriate advice. These are instrumental in achieving a quality outcome and value for money.

Shelter supports a multi-channel approach to the provision of housing advice so that those with problems are able to access advice through the most suitable means.

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## What will happen if housing advice funding is cut?

If housing advice services are cut, homelessness, destitution and housing need will increase. This will result in greater costs to the wider economy, making any such cut a false saving.

Councils have to date received grants to deliver local housing advice. In 2009/10, using dedicated homelessness prevention funding, local authorities reported 165,200 cases of homelessness prevention or relief. But, increasingly this funding can be spent elsewhere by councils if they so choose.

We are concerned that without local pressure some councils may cut these services, leading to an increase in homelessness and its associated costs.

Unless they are addressed, housing problems can lead to knock-on social costs.

- Research highlights that those experiencing housing problems are more likely to have stress-related illness and more frequent visits to their GP. Evidence indicates that the incidence of adverse consequences is higher amongst those on lower incomes and in receipt of benefits.<sup>vi</sup>
- **Multiple housing problems increase children's risk of ill-health and disability by up to 25 per cent during childhood and early adulthood.** Homeless children are three to four times more likely to have mental health problems, even one year after being rehoused.<sup>vii</sup>

## What you can do next

- At a national level, oppose cuts to publicly funded housing advice
- At a local level, ensure that your area provides sufficient housing advice to guarantee that people facing homelessness have somewhere to turn;
- Visit your local advice centre and find out more about housing advice in your area.

For further information or to arrange a visit, please contact Anne Baxendale, Senior Public Affairs Officer on 0344 515 1182 or at [anne\\_baxendale@shelter.org.uk](mailto:anne_baxendale@shelter.org.uk)

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<sup>i</sup> Based on English and Welsh Civil and Social Justice Survey 2006-9

<sup>ii</sup> Council leader survey on the impact of the economic downturn on local authorities, LGA 2009

<sup>iii</sup> Study of legal advice at local level, MoJ 2009

<sup>iv</sup> Homeless Link survey, November 2009

<sup>v</sup> Council of Mortgage Lenders

<sup>vi</sup> Pleasence, P. Causes of action: civil law & social justice, Legal Services Commission 2006

<sup>vii</sup> Harker, L. Chance of a lifetime, Shelter 2006

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