

## Shelter briefing: Westminster Hall debate on Rough Sleeping

### Summary:

Shelter is the UK's largest housing and homelessness charity. Last year we gave information, support and advice to millions of people experiencing bad housing and homelessness.

Figures released in January showed that there were 4,677 people sleeping rough in Autumn 2018, a 2% decline from 2017. In 2010, the number sleeping rough was 1,768 – there has been a dramatic increase of 165% since 2010.

Since 2017 the government has introduced several initiatives that relate to rough sleeping, such as implementing the Homelessness Reduction Act, as well as publishing the Rough Sleeping Strategy in August 2018, which pledged to end rough sleeping by 2027.

However, radical intervention is needed. Firstly, the government must immediately **lift the freeze on Local Housing Allowance (LHA)** and restore rates to at least the bottom 30th percentile of the market. Secondly, government must invest in significantly **more social housing**.

In 2017/18, the government delivered just 6,463 social homes, while nearly 1.2 million people are on waiting lists. The only way to ensure that nobody else is forced to sleep on the streets is to improve access to affordable, safe and secure social homes.

### Key statistics

- In Autumn 2018 the government recorded **4,677 people sleeping rough in England**, which is 165% higher than in 2010. However, this is only based on estimates, and the actual number is likely to be even higher.
- This is only the tip of the iceberg, however, as there are approximately **277,000 households that are homeless** on any given night in England, including those living in emergency or temporary accommodation. This includes **131,000 children**.
- The number of people in temporary accommodation has **risen by two-thirds since 2010**
- The highest rate of rough sleepers is in the City of London, where just over **18.96 out of every 1,000 households sleeps rough**. This is followed by Westminster, where 306 people sleep rough, at a rate of 2.64 per 1,000 households.
- The number of rough sleepers has increased in London at a dramatically higher rate than outside London. The number of people found rough sleeping has **increased by 136% in London compared to 81% in the rest of England** in the last 5 years.
- The majority of rough sleepers are single men aged over 25. Official statistics show that 84% of rough sleepers are male and 80% are aged over 25.
- In 2017/18 only **6,463 more social homes were delivered**, while there are nearly 1.2 million people on council housing waiting lists.

### Shelter Services

In 2017/18 Shelter helped millions of people with their housing troubles. This includes the 44,000 households advised by our helpline team, the 27,000 households who received face to face advice, and the 5 million who visited our online advice pages.

We have 13 service hubs across England, from Plymouth to Newcastle, and our staff support people experiencing or at risk of homelessness every day. We help people to challenge council decisions, apply for benefits, and keep people in their homes.

### Case Study from our Sheffield helpline:

“One Friday, I received a call from a very distressed woman who’d arrived home from holiday to find her locks had been changed. This left her, her partner and two young children homeless. The woman went to the council, but they told her no adviser was available to assess their case and to ‘come back on Monday’; she was beside herself. I immediately tracked down the on-call housing officer and outlined the legal reasons to accommodate this family over the weekend rather than seeing them sleep on the streets. Temporary accommodation was found.”

## Root causes of homelessness

Rough sleeping is the starkest and most visible aspect of the housing crisis, but it is merely the tip of the iceberg when it comes to homelessness in England. The challenges that lead people to sleeping rough are often the same as those that lead to families living in temporary accommodation, or to people relying on friends and families for a place to live. However a person’s homelessness manifests itself, the causes are largely the same.

- **Lack of security in the private rented sector**

The leading cause of homelessness is the loss of a private rented home (an assured shorthold tenancy or AST). This can happen for numerous reasons, for example using a Section 21 notice, sometimes called a no-fault eviction. Once evicted, high rental costs and the costs of moving mean too many struggle to find another home they can afford. Many ASTs are also limited to a set amount of time, meaning once this expires the landlord could choose not to renew it. Government research found that **94.6% of landlords and agents offered a fixed term tenancy of 12 months or less** in their most recent letting. The ending of an AST remains the main cause of homelessness among households presenting at local authorities.

- **Design of Universal Credit and shortfall in housing benefit**

Across England, a significant number of people now rely on Local Housing Allowance (LHA – this is how housing benefit is set) to help them keep a roof over their head. In particular, and as a result of the decline in social housing stock, many of these families are trapped in the private rented sector where they face instability and rising rents.

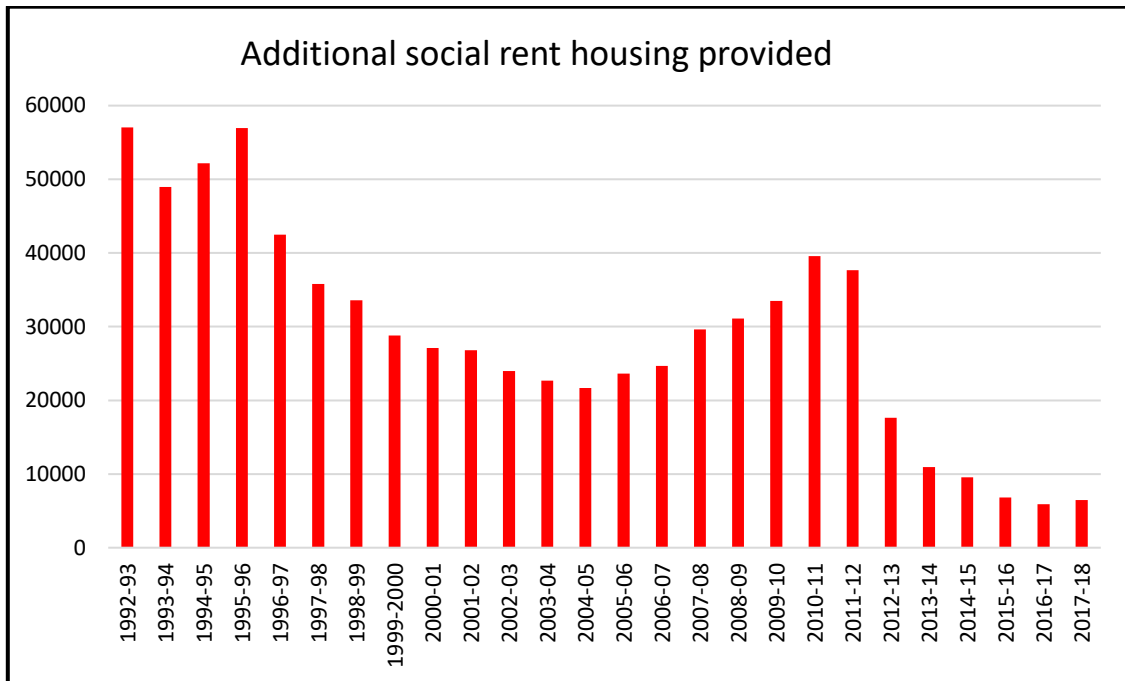
- 26% of private renters receive housing benefit or the housing element of Universal Credit; approximately 1,180,000 households.

In April 2016, the government instigated a four-year freeze on the rates of LHA. Subsequently, as rents continued to climb, LHA rates failed to keep pace with even the cheapest local accommodation. This means families have seen the gap between what they receive in LHA and what they need to pay in rent grow year-on-year, putting them at risk of falling into arrears, debt or homelessness. Now LHA **doesn’t cover rents in over 90% of areas in England**.

There are also issues with the design of Universal Credit, which is leaving people at risk of homelessness. The 5-week wait for the first payment at the start of a person’s claim means that debt is built into the design. People on low incomes who have to rely on benefit payments often do not have the resources to cover a 5-week period of no payments. This causes extreme hardship and missed rent payments. Once the UC claim is active (and in many cases this can take longer than 5-weeks), it does not provide any additional money to cover the payment of arrears and so the debt continues. The DWP’s offer of ‘advance payments’ in the form of a loan do not work for this same reason - there is no additional money to cover the repayments.

- **Lack of social housing**

All of the issues above are symptoms of a larger issue: a fundamental lack of the social housing needed to house people who are homeless. In 2017/18 just 6,463 social homes were built – despite nearly 1.2 million people currently waiting for social housing.



This steep decline in social housing and a fall in home ownership - at 64% of people compared to 71% in 2003 - has led to a heavy reliance on the private rented sector. The number of people living in the private rented sector has doubled over the past 20 years. Meanwhile the cost of renting, which has risen faster than incomes, has put immense financial pressure on many people:

- Private renters on average spend 41% of their household income on rent
- The majority (57%) of private renters say they struggle to cover housing costs

Following the Second World War social housing played a vital role in meeting the housing needs of ordinary people, giving millions the quality, secure and affordable housing they needed. Today, the government spends £21 billion a year on housing benefit instead, much of which goes to private landlords, with councils spending hundreds of millions on temporary accommodation to house homeless households.

Provision of adequate social housing in England is, therefore, vital to ensure that we tackle all types of homelessness.

## Solutions

The Prime Minister has pledged to halve rough sleeping by 2022 and end it by 2027, and since 2017 some initial steps have been taken to tackle the problem. In April 2018, the Homelessness Reduction Act was rolled out, putting new duties on local housing authorities to assess, prevent, and relieve homelessness for anyone who is eligible for assistance (including people who are street homeless). Last August, the government published its Rough Sleeping Strategy, which set out the government’s plans to make good on this manifesto pledge.

In addition to investing in getting people off the streets, the government must also tackle the structural issues that mean people end up there in the first place. This is the only way to ensure long-term change.

## 1. Lift the LHA freeze

Immediately the government must end the LHA freeze and increase LHA rates so that they meet rents. This will prevent people from being pushed into rent arrears and consequently being evicted from their privately rented home, giving them greater security. This will also relieve the burden on local authorities to help homeless families into suitable accommodation.

The government acknowledged in 2017 that *'high and increasing costs in the private rented sector can impact upon tenants who struggle to pay, and these households are more likely to be at risk of becoming homeless'*. It recently reported it has begun work to look at affordability in the private rented sector, with a view to developing policy options for post-2020 when the current LHA freeze ends.

Unfreezing LHA would reduce the risk of homelessness for some of the most vulnerable families in England. This should be considered a homelessness prevention measure: if more of the PRS market were available to families receiving LHA, there would be less reliance on temporary accommodation to house families. Landlords would be more likely to rent to those paying for their rent with LHA. Ending the LHA freeze would also help the government meet its ambitious targets to tackle homelessness over this parliament, including implementing the Homelessness Reduction Act. It would allow them to have a more cross-departmental approach to tackling the barriers for low-income families to secure homes.

## 2. Build more social housing

In the wake of the Grenfell Tower tragedy, Shelter brought together a group of 16 independent commissioners from both main political parties to establish a vision for the future of social housing. After speaking to social housing tenants, the public and the wider sector, the commission published their findings in January in the report [Building for our future: A vision for social housing](#).

The Commissioners are calling on all political parties to rediscover social rent housing as a key pillar of our national infrastructure. They are recommending an ambitious programme to deliver 3.1 million new social homes over the next 20 years; at an average of around 150,000 a year. There is a precedent for such a figure: in the mid-1960s, we delivered 150,000 social homes a year. It's been done before, and it can be done again – if it is the major focus of government efforts.

Building at such a scale would allow us to recapture the original purpose of social housing that is aspirational and provides opportunity to a wide range of people currently priced out of the private market – including young families and older renters, as well as those hit by homelessness. This would not only be a more efficient use of public funds, but would provide many with the affordable, secure housing they currently have no chance of accessing, and would go a long way in effectively reducing the number of people who are forced to sleep on our streets.

Building social homes is the only way we will resolve our homelessness crisis, in all its forms. In addition, by increasing the numbers of social rent homes being delivered we would reduce the amount spent on housing benefit. Our modelling shows that this reduction in costs, alongside other economic benefits, could mean that the total cost of a 3.1 million social housing programme would be recovered within 40 years.

**If you have any questions, contact [Angel\\_Strachan@shelter.org.uk](mailto:Angel_Strachan@shelter.org.uk) or call 0344 515 1182**