

# Nowhere to go

The scandal of homeless children in B&Bs

# Summary

If a family lose their home through no fault of their own, their council is under a legal obligation to find them a settled home. While the council are assessing their claim for help, or trying to find them a suitable home, they must provide temporary accommodation. This is a vital safety net that helps families get back on their feet in difficult times.

## Temporary accommodation

- This Christmas, 80,000 children in England, Scotland and Wales will wake up homeless.
- In England, children in more than 43,000 homeless households were living in temporary accommodation at the end of June 2013, **an increase of 9 per cent on the previous year.**
- Most were temporarily housed in self-contained flats or houses leased from private landlords. However, despite rules to prevent this, 2,090 were in bed and breakfast style accommodation (B&B). **This is the highest number of families accommodated in B&Bs for nearly ten years.**
- Of the 2,090 families in B&Bs, 760 had been living there beyond the legal limit of six weeks. **This represents a 10 per cent increase since June 2012.**
- Although they should be accommodated in their home area, more than 11,100 homeless households were placed in temporary accommodation in another area. **This represents a 38 per cent increase since June 2012.**

## The impact of temporary accommodation on children

- There are stringent standards for B&Bs used for homeless households but, sometimes because there is no coordination, they are often not enforced by the council responsible, meaning that poor conditions can go undetected.
- Sadly, Shelter's services regularly see families with children whose lives are being disrupted and damaged by having to live in a B&B. Where possible, we work tirelessly to get homeless children out of B&Bs and into a settled and affordable home as close as possible to their schools, family and friends.
- A new Shelter investigation echoes the findings of larger studies: living in B&Bs negatively affects children's health, education and family life. Families

living in crowded bedrooms, often with no cooking facilities, and forced to share bathrooms with strangers, report that their children have nowhere to do homework and have witnessed disturbing incidents, including threats of violence, sexual offences and drug use.

- Many parents already find it hard enough to find a job that can cover the cost of a new home, but without a stable place to live, it's almost impossible. Stuck in a B&B, these families have nowhere to go – their lives are on hold, while the additional cost of take away food and long journeys to school worsens already overstretched family finances.

## Funding of temporary accommodation

- Restrictions to the subsidy available to local authorities to pay for temporary accommodation are making it more difficult for councils to lease suitable self-contained accommodation from private landlords.
- With increasing numbers of homeless households coming to them for help, some councils are faced with the stark choice of providing B&B (frequently funded with additional subsidy from the local authority due to the housing benefit shortfalls) or sending families to places in cheaper areas, far away from where they have previously been living.
- The household benefit cap of £500 per week<sup>1</sup>, which was fully rolled out this autumn, is making it even more difficult for some local authorities to obtain self-contained accommodation within benefit levels.
- The Department for Communities and Local Government's recently created £1.9m fund for councils to get children out of B&B isn't enough to address the problem and to prevent it increasing in the future.

## Recommendations

- The Government must urgently consider **exempting homeless households in TA from the household benefit cap.** This would make it easier for housing authorities to procure local self-contained accommodation in which to accommodate homeless families until they secure a more settled home.
- The Government must also consider **reviewing the rates paid for leased TA to ensure they are realistic** for today's market. The rates currently being paid are based on the January 2011 rates, despite the fact that private rents have raced ahead of these in many areas.

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1. The cap is limited to £350 per week for single people

# Introduction

This Christmas, 80,000 children in England, Scotland and Wales will wake up homeless.

**“You can’t understand if you’ve never been in a B&B what it’s like.** For Emma’s sake I try and turn all the situations into a game so she doesn’t understand how disastrous it is and how deep we are in. She’s too young to be burdened with that. When I feel that I want to collapse from exhaustion and despair I can’t show it to her and need to stay strong. Organising Christmas and to make her feel safe was an enormous stress. Sometimes when you are crying and she asks “What’s wrong mummy?”, you say “It’s just a bit of dust in my eye”. My health was affected badly - physically and emotionally. I was tired, exhausted, worried all the time. There wasn’t a day when I knew what was going to happen. I was stressed and living in fear and uncertainty all the time.”

Alex, mum to 4 year old Emma

England is experiencing an urgent housing shortage, yet is building fewer homes than in any peacetime year since the First World War. The housing shortage is making it more and more difficult for families to find a settled home they can afford.

When so many of us are living on a knife-edge, the loss of a job, illness, bereavement or relationship breakdown can be all it takes to start a downward spiral that ends in the loss of the family home. It’s already hard enough to find a job that can cover the cost of a new home; without a suitable, stable place to live, it’s almost impossible.

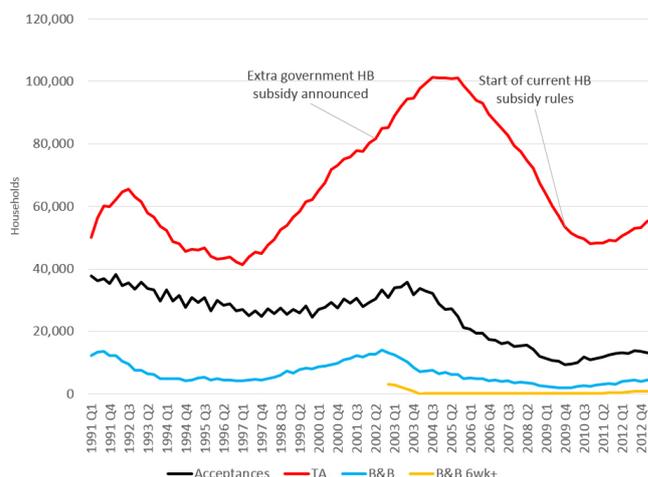
By the time children become homeless, they have already been through a great deal of uncertainty, worry and loss. Being without a suitable home can dramatically increase the trauma they have already experienced.

**“I had a home and it was totally taken from under my feet.** I lost everything. Part of you thinks how easily it can happen. I just hope it never, ever happens again. I never went through anything as traumatic when I was a child and I hate to think of it happening to my children again. ”

Jasmine, mum to 8 year old Poppy and 3 year old Darcy

## The growing number of homeless children in temporary accommodation

In England, more than 43,000 homeless households with dependent children were living in temporary accommodation (TA) at the end of June 2013, an increase of 9 per cent on the previous year.



The increased numbers placed in TA reflect an overall increase in homeless applications and acceptances. The number of households accepted as homeless and placed in TA had been falling since the fourth quarter of 2005, following a Government commitment to halve the number of homeless households living in TA by 2010<sup>2</sup>. But June 2011 marked the end of this long-term downward trend. Since then, the numbers have again steadily increased.

## Why are children placed in temporary accommodation?

Homelessness legislation<sup>3</sup> places a duty on local housing authorities to secure settled accommodation for unintentionally homeless households in priority need. This duty ensures that homeless families, and certain vulnerable people without dependent children, are not forced to sleep on the streets. So households represented in Government statistics on TA are, by definition, waiting for:

- The outcome of a homeless application. If they have nowhere else to stay, they are given TA as **emergency or interim accommodation** while the local authority assesses the application.

2. From a baseline of 101,000 set in 2004

3. Originally introduced by The Housing (Homeless Persons) Act 1977 and is now contained in Part 7 of the [1996 Housing Act](#) (as amended)

- The outcome of any review or appeal of a decision on their application.
- An offer of suitable accommodation owed by a council to those accepted as homeless. Previously, a final offer was usually in the form of social housing, although a private rental could constitute a final offer if the applicant agreed. However, since November 2012<sup>4</sup> local authorities can discharge their duty with the offer of a suitable private rental of twelve months. The length of time the household will spend waiting in **temporary accommodation** depends on the availability of suitable accommodation in the authority's area.
- Expiry of reasonable notice to leave and find their own accommodation, following a decision by the local housing authority that no further re-housing duty is owed<sup>5</sup>.

Most TA is in the form of self-contained flats or houses, leased by a social housing provider from a private landlord and then let to the homeless family on an insecure licence, which means they can be asked to move at short notice.

Local authorities have a duty<sup>6</sup> to strategically prevent homelessness in their areas. They are funded by DCLG Homelessness Prevention Grant to provide a range of homelessness prevention services, including providing rent deposits and family mediation.

## There are a growing number of children living in B&B accommodation

Of the 43,090 households with children living in TA at the end of June 2013, 2,090 were in B&B. This represents an increase of 8 per cent from 1,930 at the end of the same quarter in 2012.

## This is the highest number of families accommodated in B&B for nearly ten years.

Up until the end of 2009, local authorities had succeeded in reducing the numbers in B&B<sup>7</sup> accommodation, particularly families with children. Numbers of homeless

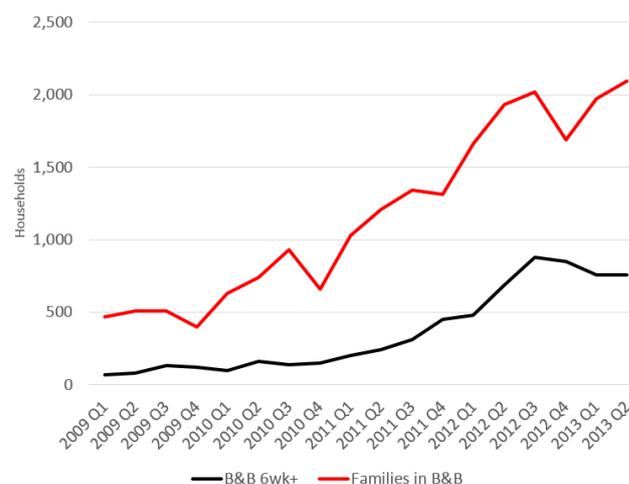
4. Under section 193(7AA) to (7AC) [Housing Act 1996](#)

5. If, following enquiries, a household is found to be intentionally homeless (e.g. because of mortgage or rent arrears) the local authority must provide TA for enough time to allow the household to find their own accommodation

6. Section 1(1) [Homelessness Act 2002](#)

7. The [Homelessness \(Suitability of Accommodation\) \(England\) Order 2003](#) (SI 2003/3326) defines a B&B as private accommodation (whether or not breakfast is included) which is not separate and self-contained premises and in which either toilets, personal washing facilities or cooking facilities are shared by more than one household. This type of accommodation can be in the form of a 'B&B Annex', which is effectively a nearby house in multiple occupation

households in B&B had peaked in September 1991 and again in September 2002. This prompted the then Government to make a commitment that no family with children would have to live in a B&B except in an emergency and for no more than six weeks<sup>8</sup>. This still applies and has recently been reaffirmed by Ministers.



## The legal requirements for B&B use

Statutory guidance<sup>9</sup> contains strong advice on the use of B&Bs for homeless households:

*'Where possible, housing authorities should avoid using B&B hotels to discharge a duty to secure accommodation for applicants, unless, in the very limited circumstances where it is likely to be the case, it is the most appropriate option for an applicant. The Secretary of State considers B&B hotels as particularly unsuitable for accommodating applicants with family commitments and applicants aged 16 or 17 years who need support.'*

However, where a family needs an emergency safety net, the local authority will often need to spot-book a B&B. The family may remain in a B&B while the authority finds more suitable TA or accommodation to offer as a final discharge of its duty. Government-commissioned research<sup>10</sup> (published in 2008) on families' experiences of homelessness found that use of B&Bs was usually linked to the availability of suitable, affordable accommodation in the area:

8. The Homelessness (Suitability of Accommodation) (England) Order 2003, which came into effect on 1 April 2004

9. DCLG (July 2006) [Homelessness Code of Guidance for Local Authorities](#), paragraph 7.6

10. Pleace, N. et al (2008) *Statutory Homelessness in England: The experience of families and 16-17 year olds*, DCLG: Centre for Housing Policy, University of York, paragraph 6.38

*‘experiencing B&B hotels was associated with being accepted in an area of ‘higher housing stress’ (this may reflect the particular difficulty that local authorities in these areas face in securing alternative forms of temporary accommodation).’*

## Six week limit

Of the 2,090 families in B&B at the end of June 2013, 760 had been living there beyond the legal limit of six weeks. **This represents a 10 per cent increase since June 2012.**

Legislation<sup>11</sup> states that if there is no alternative but to place children in a B&B, they should remain there for no more than six weeks. Failure to comply puts local authorities at risk of judicial review proceedings. A recent report by the Local Government Ombudsman<sup>12</sup> contains shocking examples of the impact on children of living in B&Bs for long periods.

## Out-of-area placements

At the end of June 2013, more than 11,100 homeless households in TA were placed in another local authority’s area. **This represents a 38 per cent increase since June 2012.**

Legislation<sup>13</sup> requires that, so far as reasonably practicable, local housing authorities must secure TA within their own districts. But they often argue that, because of the lack of affordable accommodation, it is not ‘reasonably practicable’ to do so. Recent regulations<sup>14</sup> require authorities to take into account the location of the accommodation in assessing its suitability. TA provided in a location that would cause significant disruption to the household, such as children having to move school, can be challenged as unsuitable. However this doesn’t prevent authorities from accommodating children out of their areas. The Ombudsman report contains an example of a family placed in a B&B forty miles away from their previous home and support networks. As a result, their daughter was unable to attend school. Shelter sees families who are offered accommodation hundreds of miles away.

## Standards for B&Bs

Statutory guidance<sup>15</sup> sets out stringent standards for B&Bs used for homeless households. However, these standards are not supported by powers of enforcement, or effective cooperation between local authorities. A study of B&B use in the North East of England<sup>16</sup> found that standards could be raised if local housing authorities refused to place homeless people in places which do not meet standards. But this requires a joined-up approach: one authority reported that they had done this, only to find that neighbouring authorities were still sending people to the establishment.

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11. The Homelessness (Suitability of Accommodation) (England) Order 2003

12. Local Government Ombudsman (16 October 2013) [No place like home: Councils’ use of unsuitable bed & breakfast accommodation for homeless families and young people](#)

13. Section 208(1), [Housing Act 1996](#)

14. Department for Communities and Local Government (November 2012) [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#)

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15. DCLG, (July 2006) [Homelessness Code of Guidance for Local Authorities](#), Annex 17

16. Spencer, S. and Corkhill, R. (July 2013) [Making best use of Private Hostels and Bed & Breakfast when accommodating homeless people](#)

# Our investigation: the impact of B&B on children

In October 2013, a Shelter investigation interviewed 25 families<sup>17</sup> who were (or had been until very recently) living with their children in B&Bs arranged by their local authority under homelessness legislation. These in-depth case studies<sup>18</sup> reveal the impact on children of living in B&Bs.

They echo the findings of a major Government-commissioned quantitative study<sup>19</sup> of the causes, experiences and impacts of statutory homelessness amongst families with children, which was based on surveys of over 3,000 households.

A previous Shelter study also surveyed more than 400 homeless households living in both self-contained TA and B&B in England. A substantial minority (14 per cent) were living in B&B hotels and six per cent were living in hostels. The subsequent [Living in Limbo](#) report provided strong evidence of the negative effects that living in TA has on people's health, their children's education and their opportunities to work.

## Children witnessing traumatic events and feeling unsafe

Sharing accommodation with strangers is unsettling for children. Living in a B&B can result in them feeling unsafe or witnessing traumatic events.

13 out of 25 families we spoke to during our investigation reported that their children 'have seen things here they shouldn't and this has affected them'. Almost half of the families reported very disturbing incidents witnessed by children, including threats of violence against children, sexual offences and open use of, and dealing in, illegal drugs.

*"One of the reasons we left was one of the residents trying to sell us crack cocaine and he was causing anti-social behaviour and throwing bricks in the road outside the B&B and throwing*

17. For some questions, a few respondents were either not able to answer, or the interviewer felt it was inappropriate to ask, which is why the base size is not always 25

18. To protect confidentiality, the names of respondents have been changed

19. Preece, N. et al (2008) *Statutory Homelessness in England: The experience of families and 16-17 year olds*, DCLG: Centre for Housing Policy, University of York, pages 143-144

*stones up at a girl's window who lived above us and trying to bash her door down – we left the next day. It was absolutely terrifying."* (Kim, who has three children)

*"A mum filled the bath for her kids but left it and started chatting for 40 minutes. My [adolescent] daughter had to shower urgently so she waited and waited but then got in the shower. The husband of the person who ran the bath came and was banging on the door saying he was going to drag her from the toilet and smash her face in. After this she had to sleep with us every day".* (Andrew, who has four daughters).

Nine families said that they felt the building was 'very unsafe and insecure', with particular concerns about who else has access to the building.

*"I never felt safe. How can I? What happens if someone comes in because they have the key?"* (Adele, mum to 5 year old Lara)

## Children's health damaged

The lack of amenities for a normal family life, such as the difficulty in cooking healthy meals; the impact of sharing accommodation with strangers; the cramped conditions; and the uncertainty about where they will be living, can take their toll on children's physical and mental health.

In our investigation over half the families said their children's physical and mental health has been affected. Many could only use kitchen facilities that had to be shared with six or more other families. Some had no cooking facilities at all in their building and needed to rely entirely on take-aways, while seven others mentioned having to get take-aways due to the poor quality facilities or food at the B&B.

*"I try to cook because it's cheaper but I can't put stuff in the fridge because it's too small so I can't use fresh stuff. I'm using stuff in tins all the time. I can't store anything. The freezer can only hold one thing. That's what I've got to live with now."* (Nicola, mum to 7 year old Joe and 9 year old Ellie, who shares a kitchen with six other families)

Lack of space makes it difficult for children to play. 22 out of 25 families reported that it was very difficult to find a safe place for their children to play.

*"It was such a small room as soon as you got a couple of toys out you were tripping over them. The kitchen area wasn't guarded off and Poppy had an accident. She didn't realise the hob was on and she put her hand on it and burnt it badly. I didn't know where the nearest hospital was." (Jasmine, mum to 8 year old Poppy and 3 year old Darcy)*

*"There was no space to play at all. They had a garden but there was rubbish and debris everywhere. It wasn't safe at all. I had to stop him from going up to the top of the garden." (Amy, mum to 2 year old Freddie and pregnant while in the B&B)*

## Children's education affected

Being placed in accommodation a long way from school, lack of space, lack of internet access, and the worry of being without a home can make it very difficult for children to attend school, get enough sleep, complete homework or concentrate at school.

Only nine of the 25 families we spoke to said that the B&B was in their 'home area'. Distance from schools and nurseries was a problem for many, requiring long daily journeys. Of those that gave details of the distance, none were less than six miles, or shorter than 40 minutes from school. Only three said the distance they needed to travel was about the same as where they lived before, with 15 saying it was now further away.

*"We were home very late - 7 in the evening - and we had just enough time for quick teeth brushing and into bed. No reading, no maths homework. They were such long days. It was minimum two hours each way to take her to school so she was having 12-13 hour days. We'd leave the B&B at 6am and get back at 6-7pm." (Alex, mum to 4 year old Emma)*

15 of the 25 families said that children had to share a bed with siblings or parents. This caused difficulties with bedtimes and getting children to sleep. 19 of the 25 families said it was 'a lot more difficult' to get children to sleep, 3 said it was 'a bit more difficult' with just one saying it was 'no more difficult, or easier'.

*"That was my biggest worry... her sleep and rest. She never got to bed at the time she needed to be in bed. Even if I could get her into bed she couldn't fall asleep because it was the time people were making such a big noise in the B&B. For hours she'd be in bed tired but she couldn't fall asleep." (Alex)*

*"It was totally impossible. They'd sit there til 9, 10 or 11 because it was impossible to get everyone into bed and asleep. If one started crying everyone would be awake. We couldn't sit in the pitch black waiting for them to go to sleep so we had to have lights on. I don't know how we got through it... you just get used to it really." (Alan, who has five young children)*

All of the families with children aged five or older said it was 'very difficult' to do homework in the B&B, and a number of our respondents mentioned the inability to get internet access.

*"We don't have internet access and she needs it for her work. She's brilliant at school and I don't want to ruin her chances. She's so good and is in the top set. She needs internet and books but we can't get any of that. She wants her revision books but they're all in storage as well." (Nadia, mum to 14 year old Sara, 5 year old Adam and baby Yasmin)*

The Government's 2008 study found that homelessness-related school moves were more likely for children living in hostels or B&B hotels: 50 per cent of those children who had stayed in these forms of TA, as compared with 27 per cent of other children, had had to move school. There was a relationship between school moves due to homelessness and deteriorations in school performance: 11 per cent of those children who had had to move school, as compared to five per cent of other children, were said to be performing less well.

## Hitting overstretched family budgets

Being without a permanent address can make it much more difficult for families to get work or better paid work to be able to afford a stable home. The lack of amenities in B&Bs, the need to pay for storage of belongings and the expense of travelling back to their home area can place further strain on already overstretched income.

*"We spent an absolute fortune. We were spending £40 a day just on food because we had to eat out all the time. It's past a joke. We had to go to the laundrette two to three times a week and that was an extra cost. We had to borrow off our family just to help pay for all the extras. It was hard." (Alan, who is signed off sick from work)*

20 of 25 respondents reported that 'living here has made me much less likely to be able get work or get better work'. The same number said that living in the B&B 'has made our financial situation worse'.

*“My husband’s CRB took four months to get sorted because they didn’t accept the hostel address as a permanent address. He was unable to work for four months while he was waiting because he works with kids in social services. We lost four months income as a direct result of this situation – it hit our income very badly.” (Nadia, whose family lost their previous home because of a housing benefit error).*

Nearly all the families were having to keep things in storage and most were paying for this (some were paying £200 per month or more).

*“I’m paying £250 a month for storage.” (Lauren, who has four children)*

As so many families were living away from their home area, travel costs were taking their toll on family budgets:

*“I’ve had to miss days and days and days of work. I have to go with the girls to school sometimes. I need to be there for them and it reduces my income a lot. Transport is also very expensive. Train to school costs £5 each time because the Oyster doesn’t work.” (Andrew)*

## Children struggling with difficult day-to-day life

A lack of space and privacy can mean that children living in B&Bs often struggle to enjoy the day-to-day aspects of family life that others take for granted, such as family meals and having family and friends to visit. They can also experience the impact of the strain this puts on family relationships.

*“We never really had visitors - there was nowhere for anyone to go or sit. I went for a long period without seeing my dad because he’s disabled and we were up a long flight of stairs. We used to see my brother a lot when we were in our old house. But I never saw him the whole time we were in the B&B because there was nowhere for them to go. We went for eight months without seeing them which is a long time in our family. It affected the children because his kids are the same age as mine so they didn’t see each other for ages.” (Jasmine)*

Almost all of the families we spoke to said that the level of privacy they had was not enough for family life.

*“You have 12sqm and have to spend all your time in this space. It was horrible – especially at weekends. We didn’t want to open the door because the house was full of strangers. We didn’t want to go out because we were stuck in a town we didn’t know at all. There was just nowhere to go.” (Alex)*

Family mealtimes were also often difficult in a B&B: many families had no table to eat meals on at all and children had to eat on the bed or the floor, while some were able to use a table only in a communal area.

*“It was so unbearable eating on our beds we had to go out a bit and obviously that is very expensive.” (Kim)*

Inadequate and shared bathrooms and toilets can be particularly difficult for families. Most of the families we spoke to shared some bathroom or toilet facilities with other people: many had to share these with seven or more other people. Almost all of those sharing, reported that this had ‘a big effect’ on family life.

*“The toilet was through the communal area which was shared by us and the other family. The kids wouldn’t want to use the toilet. They’d sit there and hold it in saying they don’t want to go. I’d say well you have to. At night if I wanted to use the bathroom I wouldn’t because I didn’t want to go past all these men who were sitting out there because it was intimidating.” (Lauren)*

# Why are more and more children living in B&B?

During the passage of the Welfare Reform Act 2012, Shelter argued that reductions in housing benefit would make it much more difficult for local housing authorities to prevent or alleviate homelessness because it would reduce the amount of accommodation that was affordable for families in need of support.

The main alternative to B&Bs for councils needing to place homeless households in TA is private rented sector leased (PSL) accommodation, leased to housing associations or local authorities. London Councils predict<sup>20</sup> London authorities will continue to experience a declining supply of leased TA at or below housing benefit levels. This is because the amounts of housing benefit that can be claimed for private rents (the Local Housing Allowance rates) are lower than the rents landlords can charge on the open market, and in London significantly so. There have been reports<sup>21</sup> that social landlords are also pulling out of private leasing schemes because homeless households will be hit by shortfalls in rent, due to the household benefit cap leading to arrears.

With increasing numbers of homeless households coming to them for help, some councils are faced with the stark choice of providing B&Bs (frequently funded with additional subsidy from the local authority due to the housing benefit shortfalls) or sending children to places in cheaper areas, far away from where they have previously been living.

## Funding of TA

The rents charged for leased accommodation are usually higher than the market rate because the social landlord managing the property generally includes an additional charge for management, vacant periods and bad debts. The rents for leased TA are generally paid for with housing benefit, so if benefit levels do not match the rents, the local authority has to make up the shortfall from its own budget<sup>22</sup>.

20. London Councils (29 January 2013) [Housing Homeless People in London](#)

21. Brown, C. (10 May 2013) [Providers warned over temporary housing plan](#), Inside Housing

22. The DCLG [Homelessness Code of Guidance](#) requires local authorities to ensure that any accommodation offered to homeless households is affordable to the household. The housing authority must consider 'whether the applicant can

In 2002, the then Government announced extra funding for housing authorities to procure leased TA in the form of a top-up on housing benefit. This new funding seemed to help reduce the number of children in B&B.

Since 2002, successive Governments have sought to reduce TA subsidy.

In 2009, further TA subsidy changes were announced, effective from April 2011<sup>23</sup>. These fixed the LHA rates used in the formula to calculate subsidy at the January 2011 level. When these reforms were announced, local housing authorities expressed concern about the potential impact on their ability to obtain leased TA.

In 2012, the Department for Work and Pensions (DWP) announced that TA subsidy would continue to be based on the current arrangements until the phasing in of the new Universal Credit (UC) – then planned for new claimants for October 2013. The intention was that claimants in TA would receive their housing support as part of their UC. This would be based on the appropriate LHA rate for the household.

While the introduction of UC (with its new TA subsidy system) has been delayed, another feature of the Government's welfare reforms has been implemented. The household benefit cap<sup>24</sup> came into effect in four London pilot authorities<sup>25</sup> from April 2013. It was then rolled out nationally from July to September 2013 and is now fully in place.

The cap limits the total amount of benefits that can be received by any out-of-work family to a maximum amount of £500 per week for single parents and couples with children<sup>26</sup>. This covers almost all benefits, but will be applied by the local authority via a reduction in housing benefit. It will particularly affect larger households living in accommodation with higher rents. It has been calculated<sup>27</sup> that, as a result of the cap:

- A couple with three children will have £173 per week to spend on housing

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*afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials'*

23. DWP Housing Benefit/Council Tax Benefit Circular S1/2011

24. Introduced by the [Welfare Reform Act 2012](#)

25. Pilot authorities were the London boroughs of Haringey, Croydon, Bromley and Enfield

26. The cap is limited to £350 per week for single people

27. Pawson, H. and Wilcox, S. (2013) [UK Housing Review 2013](#), Chartered Institute of Housing

- A couple with four children will have £108 per week to spend on housing
- A couple with five children will have £43 per week to spend on housing

These amounts are well below the amounts needed to pay for leased TA in many parts of the country, including London: 73 per cent of TA households are accommodated by London authorities.

In December 2012, it was estimated that 5,100 households in TA would be affected by the cap<sup>28</sup>, although more recently the Government has said<sup>29</sup> that information on the number of households in TA to whom the benefit cap has been applied is not available.

During the passage of the Welfare Reform Act, Shelter argued for an amendment exempting TA from the cap. We argued that the cap threatened to create a downward spiral of homelessness, in which families that lose their homes because of the cap would then find they could not be given adequate help to get back on their feet because the same cap would prevent councils from leasing suitable temporary accommodation. This amendment was not passed and the cap now applies to TA.

The DWP argues that Discretionary Housing Payments (DHP) can be used by local authorities to meet the cost of TA. However, DHPs are, by their nature, discretionary and cash-limited and as a result they cannot provide certainty for homeless households or local authorities. There are also many other potential claims on limited DHP funds: local authorities will need to draw on them to protect households at risk of homelessness, as well as to pay for those in TA.

## Impact of welfare reform on accommodation for homeless families

Under these financial pressures, some local authorities have to choose between placing homeless children in unsuitable and expensive B&Bs and trying to find self-contained leased TA within benefit levels – which often means out of area.

In March 2013, Shelter predicted that in order to find TA within the cap levels, local authorities would have to place homeless households far out of area. With an increase of 38 per cent in the number of homeless households accommodated out of area, this appears to be happening. For larger households it is now extremely difficult to find affordable TA anywhere in England and local authorities will have to rely on other sources of funding.

In May 2013, an investigation the Bureau of Investigative Journalism (BIJ)<sup>30</sup> found that London councils are

28. [HC Deb, 6 December 2012, c827W](#)

29. [HC Deb, 18 October 2013, c910W](#)

30. Mathiason, N. and Hollingsworth, V. (19 May 2013) [Forced](#)

significantly increasing the number of homeless households being housed outside their boroughs. It found that, since 2009, 32,643 homeless households have been re-housed out of area. In the twelve months to April 2013, 10,832 households were re-housed outside the area, which was a 15.9 per cent rise on the previous twelve months.

The BIJ has also reported that rising private rents, a shortage of affordable housing and benefit cuts have forced local authorities, particularly in London, to place increasing numbers of households into B&Bs, hostels and shelters. BIJ freedom of information research<sup>31</sup> obtained figures from twelve local authorities in Britain's biggest cities over the past four years in a four-month study. It found that between 2009-13, they had spent £1.88 billion on TA – which, the BIJ claim, is enough money to build 72,000 homes in London. Spending on B&B accommodation in the year 2011/12 to 2012/13 had gone up by over 25 per cent to £91.1 million in the twelve cities.

## What is Government doing about homeless children in B&B?

In April 2012, then housing minister Grant Shapps wrote to twenty local authorities reiterating the Government's position that the practice was 'unacceptable'. He urged them to prioritise elimination of the use of long term B&B accommodation for families, and offered support from his department to do so.

In September 2012<sup>32</sup>, then Housing Minister, Mark Prisk, pledged to ensure that councils' use of B&Bs for homeless families does not turn into an 'insurmountable problem'. In December, the Minister met with eighteen London housing directors to discuss borough use of B&Bs and the factors that were leading to boroughs placing homeless households in B&Bs for longer than six weeks. The boroughs warned that they expected a sustained increase in homelessness applications and that this would be exacerbated by the household benefit cap.

## New fund to tackle B&B

On 1 August 2013, then Communities Minister Don Foster announced<sup>33</sup> a £1.9 million fund to help councils reduce the numbers of homeless families in B&B. He said that the homelessness statistics showed a huge variation in the way councils help homeless people, with only 15 councils accounting for nearly 80 per cent of all families in B&B for more than six weeks.

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### [exodus: London's homeless pushed to suburbs](#)

31. Mathiason, N., Hollingsworth, V. and Fitzgibbon, W. (19 May 2013) [Scale of UK housing crisis revealed](#)

32. Inside Housing, [Prisk pledges to curtail use of B&Bs for homeless](#), 20 September 2012

33. GOV.UK Press Release (1 August 2013) [£1.9 million to tackle bed and breakfast living](#)

The funding will go to seven of these councils<sup>34</sup> *‘to help them raise their game and discover innovative new ways to help meet the housing needs of these most vulnerable families’*. The Minister said: *‘this isn’t a short term fix about cutting numbers – I want these councils to find long-term solutions to homelessness in their areas’*.

Examples include:

- Birmingham City Council has been granted £300,000 for a health and financial support service to help at-risk families to get their lives back on track. This includes additional posts to negotiate with private landlords to secure additional leased accommodation, as well as healthy-living advice to households.
- London Borough of Barking and Dagenham has been granted £300,000 to launch a new Lettings Scheme to help people access affordable and sustainable accommodation in the local private rented sector and to run a two day workshop for tenants on money management and employment advice.

The Government’s intention is that lessons learned from these councils will be shared across the country, *‘ensuring that every area can find the best way to provide stable, suitable homes for local residents as soon as possible’*.

While this additional funding is welcome and should help the seven authorities to develop a more strategic approach to tackling homelessness, it cannot tackle the more serious underlying problem of shortfalls between local housing costs on the one hand, and LHA rates and the household benefit cap on the other. Unless something changes, local authorities will face increasing problems in obtaining suitable accommodation in which to accommodate homeless children.

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34. The councils awarded funding are Barking and Dagenham (£300,000), Croydon (£256,166), Hounslow (£300,000), Crawley (£299,150), Birmingham (£297,500), Redbridge (£175,000) and Westminster (£280,000).

# Recommendations: strengthening the safety net for homeless children

In the short-term the Government must strengthen our housing safety net to avoid homeless children being accommodated far away from their local area or in unsuitable B&Bs. A stronger safety net will allow families the time they need to get back into work and secure a settled home:

- The Government must urgently consider **exempting homeless households in TA from the household benefit cap**. This would make it easier for housing authorities to procure local self-contained accommodation in which to accommodate homeless families until they secure a more settled home.
- The Government must consider **reviewing the rates paid for leased TA to ensure they are realistic** for today's market. The rates currently being paid are based on the January 2011 rates, despite the fact that private rents have raced ahead of these in many areas.
- The Government should **act on its commitment to review LHA levels post-2015 and to uprate if necessary** to ensure an adequate proportion of the market is affordable to households on low incomes.
- When Universal Credit is rolled out, the Government must **retain protection to people at risk of losing their homes during short-term spells of unemployment**. The 13 week protection rule ensures that renters who lose their jobs can claim for the full amount of their rent for 13 weeks while looking for work. This essential protection for those who have paid into the system and need temporary support to get back on their feet must be replicated under Universal Credit.
- The Government should review the current level and distribution of Homelessness Prevention Grant awarded to local authorities to ensure it takes adequate account of the impact of the welfare reform changes and the increase in homelessness.

In the longer term, central and local government must take a more strategic approach to genuinely preventing and alleviating homelessness in their areas by:

- Ensuring there is an adequate supply of homes that are genuinely affordable to families who struggle to find suitable homes in the owner-occupied or private rental market.
- Ensuring there is adequate funding for high quality advice and advocacy to prevent families from losing their homes in the first place. This should include

advisors negotiating with landlords to help ensure that housing problems do not reach crisis point.

## Conclusion

Too many children will wake up homeless this Christmas. Their experience in B&Bs will stay with them for the rest of their lives. We must make sure that families who experience the downward spiral that leads to homelessness have an adequate safety net. In the long-term, we need an adequate supply of decent, affordable homes to prevent so many families being unable to find somewhere suitable to live.

But in the short-term, those of us who fall on hard times need early advice and support to avoid losing the family home. And for those who become homeless, local authorities need to be able obtain suitable accommodation that prevents children from facing any further trauma and disruption to their lives, and allows their families to get back on their feet.

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