

Building hope
The case for more
homes now



Shelter

Shelter believes everyone
should have a home.

Photo: Nick David



Building hope

The case for more homes now

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Written by Marc Francis

To protect the identity of the people mentioned in this report, models have been used in photographs and some names have been changed.





Foreword

Shelter's million children campaign has highlighted the devastating impact of homelessness, overcrowding, and unfit accommodation. Health, education, and well-being all suffer as a result of bad housing, permanently undermining a child's life chances.

The chronic shortage of affordable rented council and housing association accommodation lies at the root of this crisis. In this report, Shelter makes it clear that the Government can and must deliver 20,000 extra social rented homes each year. This package would deliver a total of 60,000 extra homes to help ensure that more than 150,000 children are lifted out of bad housing by 2011.

The Chancellor is expected to respond to the *Barker Review of Housing Supply* alongside the autumn Pre-Budget Report. Shelter believes that he must take this opportunity to make a commitment to invest £1.25 billion to deliver the 20,000 extra social rented homes required each year to help those in acute housing need.

The months leading up to this statement are a critical period in the campaign to tackle Britain's acute housing crisis. We hope you will add your support to Shelter's campaign to build the homes we need to end bad housing for the next generation of children.



Adam Sampson
Director, Shelter



Summary

‘Housing is recognised as an entitlement of all citizens. It is an important part of the right to enjoy an adequate standard of living and is essential to our well-being by providing security and comfort. Government is committed to ensuring that everyone has the opportunity to access a decent home.’¹

HM Treasury, 2005

Despite the Government’s stated aim of ensuring that everyone has the opportunity to access a decent home, too many people in Britain are living in inadequate housing. While many of those who own their home have benefited from a dramatic increase in house prices in recent years, more than one million children are suffering at the sharp end of Britain’s housing crisis. This is undermining the progress being made in improving health and education and especially the Prime Minister’s commitment to end child poverty by 2020. This report makes the case for 60,000 extra social rented homes in England, which will be a major step towards tackling Britain’s housing crisis.

The problems

Homeless families

More than 116,000 homeless children are trapped in temporary accommodation. Long periods in temporary accommodation can have devastating effects on the health, education, and well-being of children. With homeless families increasingly having to wait two or more years before getting a settled home, tens of thousands of young children are at risk of permanent social exclusion.

Shelter strongly supports the Government’s ambitious new commitment to halve the number of homeless households in temporary accommodation by 2010. However, the number of new social rented homes currently expected to be delivered will not be enough to ensure that this target will be met.

Single homeless people

The commitment to halve the number of homeless households in temporary accommodation includes vulnerable single people as well as families with children. However, a chronic shortage of ‘move on’ accommodation, particularly specialised supported housing, makes it increasingly difficult for vulnerable single people to gain access to social housing.

Overcrowded families

More than 900,000 children are growing up in overcrowded conditions. There is a clear link between overcrowding and ill health – particularly respiratory and other infectious diseases. Living in cramped conditions can also undermine a child’s prospects in school. Progress in reducing overcrowding has stalled in recent years, undermining the life chances of hundreds of thousands of children.

1. Housing Policy: an overview (HM Treasury and ODPM, 2005)

The solutions

The acute shortage of affordable rented council and housing association accommodation – social rented housing – is at the root of the housing crisis. Output of social rented housing today is still short of what was delivered during the early 1990s and it is barely a fraction of what was achieved in the post-war years. Almost everyone now agrees that we need to build more social housing. The Deputy Prime Minister himself has acknowledged this, and the Campaign for the Protection of Rural England backs the call for more social housing. The key question is how much more?

Increasing the supply of social rented housing

- Shelter believes that the Government must provide an additional 20,000 extra social rented homes each year between 2008 and 2011 – a two thirds increase in output.
- The Treasury must invest £1.25 billion to deliver a total of 60,000 extra homes.
- We estimate that these extra homes could help lift more than 150,000 children out of bad housing by 2011.

This will not end the housing crisis. Many people will continue to live in bad housing, even if all the new homes that we recommend are built. However, a commitment to deliver these extra homes is an essential step towards ending bad housing for the next generation of children.

Newly arising housing need

The Treasury-commissioned *Barker Review of Housing Supply* provided the most widely accepted estimate of newly arising housing need. Now, for this report, Shelter commissioned the Centre for Housing and Planning Research (CCHPR) at Cambridge University to update Barker's analysis. Using Barker's assumptions and the very latest population projections, CCHPR concluded that 30,000 extra social rented homes are required to keep pace with 'urgent' newly arising need between 2008 and 2011.

Temporary accommodation target

Although action to deal with the huge backlog of unmet need for social housing is necessary, the most immediate priority in that backlog is reducing the number of homeless households trapped in temporary accommodation. However, we do not believe that the ODPM's current homelessness strategy will meet its target of halving the numbers in temporary accommodation by 2010. We estimate that 30,000 extra social rented homes are required to ensure that the target is met.

The regional picture

The Regional Housing Boards now have much greater influence in deciding how investment on housing is spent. Shelter supports devolution of decision-making, but we also believe that ministers should provide funds so that each region can deliver at least a two thirds increase in investment and output of social rented housing in the years after 2007/08.

The table on the facing page sets out Shelter's estimate of how many extra social rented homes this would deliver in each region. It also provides an indication of how many children could be lifted out of bad housing as a result.

Region	Estimated annual output of social rented units in 2007/08	Additional annual output of social rented units 2008–11	Additional cost (£ millions p.a.)	Shelter's estimate of children lifted out of bad housing (2008–11)
North East	1,000	670	£38m	5,500
North West	2,000	1,330	£74m	10,900
Yorkshire & Humber	1,750	1,170	£55m	8,300
West Midlands	2,000	1,330	£66m	11,500
East Midlands	1,750	1,170	£50m	9,400
East of England	3,500	2,330	£102m	17,900
London	8,000	5,330	£495m	42,500
South East	6,000	4,000	£224m	29,700
South West	4,000	2,670	£150m	18,400
England	30,000	20,000	£1,254m	154,100

Please see page 28 for an explanation of these figures.

Meeting housing need by other means

Tackling the housing crisis is not just a question of ‘bricks and mortar’. Alongside the extra investment in new housing, Shelter believes that the Government can and must take other steps. In particular, ministers must:

- further reform the Right to Buy – to ease the haemorrhaging of homes available to those in most acute housing need
- modernise the private rented sector – to ensure it provides a more attractive housing option for those on low and middle incomes
- make better use of the planning system – to contribute to the delivery of affordable housing and sustainable mixed communities.

Preventing homelessness

Intervention and advice can help ensure that people do not become homeless in the first place. The Government must:

- expand services to help vulnerable people sustain their tenancies and avoid losing their homes
- increase the Civil Legal Aid budget to widen access to legal advice and representation for those facing homelessness.

Supporting those in housing need

Support at an early stage can help ease the financial and other pressures on the most vulnerable people in housing need. Ministers should:

- increase funding for the Community Care Grants available to help homeless people buy the essentials they need to resettle in a new home
- roll-out the Working Futures pilot scheme to ease the ‘poverty trap’ experienced by homeless people in temporary accommodation
- increase funding for Disabled Facilities Grants to help families adapt their home to the needs of their disabled children
- increase funding to produce additional pitches for Gypsies and travellers
- continue funding the Hostels Improvement Programme, which is essential to refurbish accommodation relied on by single homeless people.

The problem

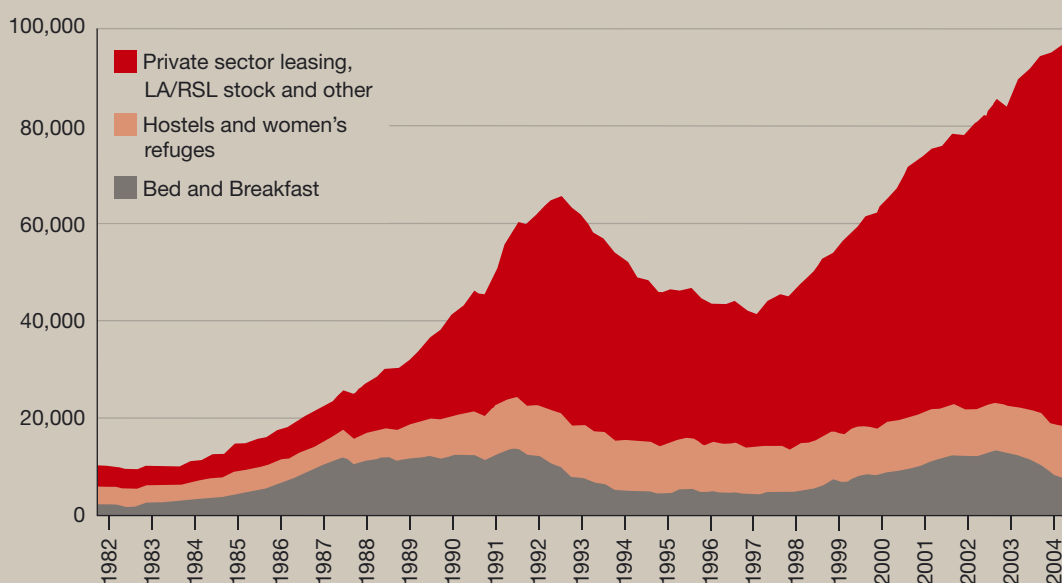
Homeless families in temporary accommodation

*'If we don't have enough homes, it is the vulnerable who will suffer most.'*²

Yvette Cooper MP, Housing Minister

Around 116,000 homeless children are currently growing up in temporary accommodation.³ Independent research has shown that those children are some of the most deprived in the country, suffering more health problems, missing out on schooling, on play, and lacking the opportunity to develop and grow in a healthy living environment.

Total number of homeless households in temporary accommodation since 1982:



Source: Child Poverty Review, Chapter 4: tackling Material Deprivation (HM Treasury, 2004)

The growing number of homeless households in temporary accommodation is not just a problem in London and the South East. The table below shows that the East and West Midlands, Yorkshire and the Humber, the East of England and the South West have all seen the number of homeless households in temporary accommodation more than double since 1997.

Homeless households in temporary accommodation (1997/8–2004/5):

Region	At 31 March 1997	At 31 March 2005	% increase
North East	480	910	90%
North West	2,100	3,000	43%
Yorkshire & Humber	1,000	2,100	110%
East Midlands	1,380	3,030	120%
West Midlands	1,070	2,630	146%
East of England	2,600	8,250	217%
London	24,060	61,990	158%
South East	6,390	12,440	95%
South West	2,210	6,740	200%
Total	41,250	101,070	145%

Source: Quarterly Homelessness Statistics (ODPM, June 2005)

2. Speech at IPPR Event: Building Sustainable Communities, 13 July 2005

3. ODPM Quarterly Stats, June 2005

The average length of time homeless households spend in temporary accommodation before being offered a permanent home has increased from 98 days in 1997 to 267 days in 2004. More recent ODPM statistics indicate that the proportion of homeless people who have spent more than a year in temporary accommodation has increased from 11.4 per cent in 1997/98 to 24.3 per cent in 2004/05. The proportion who have spent more than two years in temporary accommodation has increased even more markedly, from just 1 per cent in 1997/98 to 9.5 per cent in 2004/05.

The impact of living in temporary accommodation

The Social Exclusion Unit's report, *Breaking the Cycle*, identified the number of households in temporary accommodation as one of the five key factors holding back progress in tackling social exclusion.⁴ The Treasury's Child Poverty Review also highlighted the importance of tackling homelessness if the Government's child poverty objectives are to be met.⁵ And the *Every Child Matters* green paper identified homelessness as one of the key factors preventing children from maximising their potential.⁶

Recent action to end the prolonged use of bed and breakfast accommodation for families with children has made the experience of homelessness less damaging for children. But bed and breakfasts represent only a fraction of the accommodation used by homeless households. Even good-quality self-contained accommodation is not the answer to homelessness if it is offered only on a temporary basis.

Ministers have argued – rightly – that most homeless families are now in self-contained accommodation rather than bed and breakfasts or hostels. But temporary accommodation is meant to be just that – an emergency stopgap. The only lasting solution to homelessness and its associated problems is a permanent home.

The insecurity and isolation of temporary accommodation compounds the experience of homelessness. It is rarely suitable or affordable. Much of it is offered at sky-high rents, creating poverty traps that make it almost impossible to make work pay. Even self-contained temporary accommodation is often either the worst that private landlords have to offer or hard-to-let council housing. Placements outside their local area disrupt the support networks homeless families depend on, and frequent enforced moves deepen their sense of insecurity. The end result is that the longer homeless people stay in temporary accommodation, the more socially excluded they become.

4. *Breaking the Cycle: taking stock of progress and priorities for the future* (SEU, 2004)

5. *Spending Review 2004 – Child Poverty Review* (HM Treasury, 2004)

6. *Every Child Matters* (Department for Education and Skills, 2003)

The problem

Homeless families in temporary accommodation (continued)

Shelter's own survey of more than 400 homeless households, *Living in limbo*,⁷ revealed the devastating impact that sustained periods in temporary accommodation have on people's health, their opportunities to work, and their children's education.

- More than half the respondents had been waiting in temporary accommodation for an offer of permanent housing for longer than 12 months.
- More than half said that their family's health had suffered as a result of living in temporary accommodation.
- People who had lived in temporary accommodation for more than a year were twice as likely as people who had been living in it for less than three months to report that their health had suffered as a result.
- Homeless children had missed, on average, a quarter of their schooling (55 school days) due to the disruption of moves into and between temporary accommodation.
- More than three quarters of households had no family member in employment. The reasons for this included health or mobility problems, the insecurity of their accommodation, high rents, and worries about changes to benefits.
- Only a fifth of families with eligible children had access to Sure Start.

These findings demonstrate clearly not only that living in temporary accommodation contributes to social exclusion, but also that the longer people live in it, the more socially excluded they become. For children, long periods in temporary accommodation can have devastating consequences for their prospects in life.

Shelter, therefore, welcomes the Government's recent commitment to halve the number of homeless households in temporary accommodation by 2010. Over time, the increased emphasis on preventing homelessness will reduce the number of homeless people going into temporary accommodation in the first place and ease the pressure on social housing. However, it is already clear that the 10,000 extra social rented units promised will not be enough to halve the number of homeless households in five years. Thousands more social rented homes are needed.

7. *Living in limbo* – survey of homeless households in temporary accommodation (Shelter 2004)



Emma's story

Emma and her two-year-old son, Steven, became homeless two years ago. The local council accepted a duty to rehouse them and placed them in a tiny one-bedroom flat until a permanent home became available. The conditions were appalling – a leaking ceiling, broken furniture, no heating and no room for Steven's bed. Little wonder then that he was constantly ill. Two years later, Emma and Steven are still living in that same small flat.

Colin's story

Colin is 19 and has been living in a hostel in London for the past two years. He shares a bathroom and kitchen with other residents. His things get stolen and the shared areas are not hygienic. The hostel is noisy and he is surrounded by people with drug and other problems and finds it difficult to find space on his own. He does not feel that there is much hope of finding his own permanent place through the council. As a young, single man, he is not a priority and he could not afford to rent privately.

The problem

Single homelessness

*'The experience of living in temporary accommodation is likely to be damaging to families and vulnerable single people and is likely to lead to significant additional costs in other social programmes. Providing permanent secure homes is a classic case of investing to save.'*⁸

ODPM Select Committee

The commitment to halve the number of homeless households in temporary accommodation applies to vulnerable single people as well as families with children. While one-bedroom flats come up for letting more regularly than family-sized homes, a chronic shortage of specialised move-on accommodation, often combined with unsympathetic local lettings policies, makes it increasingly difficult for vulnerable single people to gain access to them.

The reduction by two thirds in the number of homeless people forced to sleep rough on the streets was a hugely positive step forward. But many former rough sleepers now have a bed in a hostel, not a real home. A survey of hostels carried out in London in February 2003 found that 30 per cent of hostel residents assessed by staff as ready to move into permanent housing were prevented from doing so by a lack of move-on accommodation.⁹ This 'silt-up' reduces the number of hostel vacancies available and can sometimes result in residents returning to the streets.

Single homeless people who are not found to be in priority need experience even more serious problems gaining access to good-quality temporary and hostel accommodation. There are currently 40,000 bed spaces in hostels in England,¹⁰ almost all of which are full on any given night. The 2003 survey of hostels indicated a vacancy rate of just 1.3 per cent.

The quality of hostel accommodation is also extremely variable. While an increasing number of hostels are being upgraded, many remain little more than dormitories with inadequate shared facilities in buildings in poor physical condition. As the ODPM has itself admitted, this type of accommodation can be particularly inappropriate for those with complex needs and dependencies.

The Spending Review 2004 included a £90 million Hostels Improvement Programme to begin the modernisation of this outdated stock. Shelter strongly supports this investment. But it is clear that, while the programme will improve the quality of hostel accommodation, it will not reduce the number of homeless people needing urgent rehousing. Only a significant and sustained increase in the availability of social housing for single homeless people will provide a long-term solution.

Shelter believes that ministers must ensure that the Housing Corporation and Regional Housing Boards increase the output of supported housing schemes for vulnerable single homeless people.

8. Third Report of ODPM Select Committee, 2004/05

9. Silting up? GLA/RIS, April 2003

10. Sustainable communities: settled homes; changing lives – a strategy for tackling homelessness (ODPM 2005)

The problem

Overcrowding

*'The overcrowding standards are widely recognised as out of line with modern expectations.'*¹¹

Yvette Cooper MP, Housing Minister

More than 900,000 children are estimated to be growing up in overcrowded conditions in England. Research published by the ODPM last year shows why action is needed urgently to deal with this problem. There is a clear link between overcrowding and ill health – particularly respiratory and other infectious diseases, and mental health. When one child in a household gets ill, they all get ill. There is also evidence that overcrowding in childhood affects aspects of health in adulthood.

The stress of sharing bedrooms, along with inadequate cooking, storage, washing and toilet facilities, is well documented as a cause of tension between family members in overcrowded homes, and a source of extra pressure on parents. Qualitative studies have shown how the lack of privacy is especially distressing for teenage girls sharing bedrooms with their brothers.

Living in cramped conditions can also undermine a child's prospects in school. It is almost impossible for them to find a quiet space to read, do their homework and study for exams. And those sharing bedrooms or sleeping in living rooms often have their sleep disrupted when older family members arrive home late, making it difficult to get the rest they need to focus on schoolwork.

The Government's decision in 2004 to update the statutory definition of overcrowding finally offers thousands of overcrowded families some hope of a brighter future. Modernising the 1935 definition of overcrowding – which completely ignores babies, and requires kitchens to be counted as bedrooms – is an essential first step in tackling the overcrowding crisis. These Dickensian standards have helped institutionalise the neglect of overcrowded families.

The new overcrowding standard must reflect today's understanding of the need for space and privacy. That means basing it on the 'bedroom standard' used in the Survey of English Housing. This measure does not count living rooms and kitchens as rooms available to sleep in, and every occupant – including children under 12 months – is taken into consideration. Only then will it be possible to know exactly how many families are living in overcrowded conditions, and to develop an action plan to begin to tackle the problem.

Shelter believes that to begin to reduce the number of children living in overcrowded conditions, ministers must ensure that the Housing Corporation and Regional Housing Boards increase the output of family-sized social rented homes.

11. Official Report, House of Commons, 22 June 2005, column 1034w



Sabrina's story

Sabrina's Mum and Dad went to a housing advice service four years ago. They were distressed that their eleven-year-old daughter should have to share a bedroom with her two older brothers, and desperately needed a three-bedroom place so Sabrina could get some privacy. But dozens more families were above them on the council's transfer list. Four years on, Sabrina and her brothers are still sharing that same small bedroom.

The solutions

Increasing the supply of social rented housing

*'We are studying how to achieve the Barker target. She made recommendations about extra resources, and I want to point out, helpfully, to my right honourable friend the Chancellor that that is something to which we should give fair consideration. I think that we need to provide more than the 10,000 new houses.'*¹²

Rt Hon John Prescott MP, Deputy Prime Minister, 2004

All this evidence of the extent of acute housing need points to a requirement for many more social rented homes. There is widespread support for an increase. The question is: how many more?

Shelter commissioned CCHPR to update its previous analysis of the extent of housing need in England.¹³ This research is based on the Government's own population and household formation projections, and will be published in late 2005.

Barker Review of Housing Supply in the UK

Previous analysis by CCHPR underpinned the Treasury-sponsored *Barker Review of Housing Supply* published in March 2004.¹⁴ However, although it accepted CCHPR's basic methodology, the *Barker Review* challenged a number of the research team's underlying assumptions. Specifically, Barker assumed that:

- house-price inflation between 2004 and 2011 will be somewhat below the trend rate from the past 30 years
- one third of the demographic expansion of households requiring social rented housing will be from those who are not an immediate priority for rehousing and therefore should not be included in the estimate of urgent newly arising housing need
- reforms to the private rented sector will ensure that it provides accessible accommodation to those on low and middle incomes, so fewer people will be forced into the social rented sector.

Barker concluded that at least 17,000 extra social rented homes would be required annually to meet newly arising need. The report went on to identify the record numbers of homeless households trapped in temporary accommodation as the most pressing element of the backlog of unmet need, and recommended that a further 6,000 homes were needed annually to end the dependence on temporary accommodation over a 10-year period. In total, therefore, Barker recommended that 23,000 extra social rented homes should be built each year.

12. Official Report, House of Commons 13 July 2004, column 1267

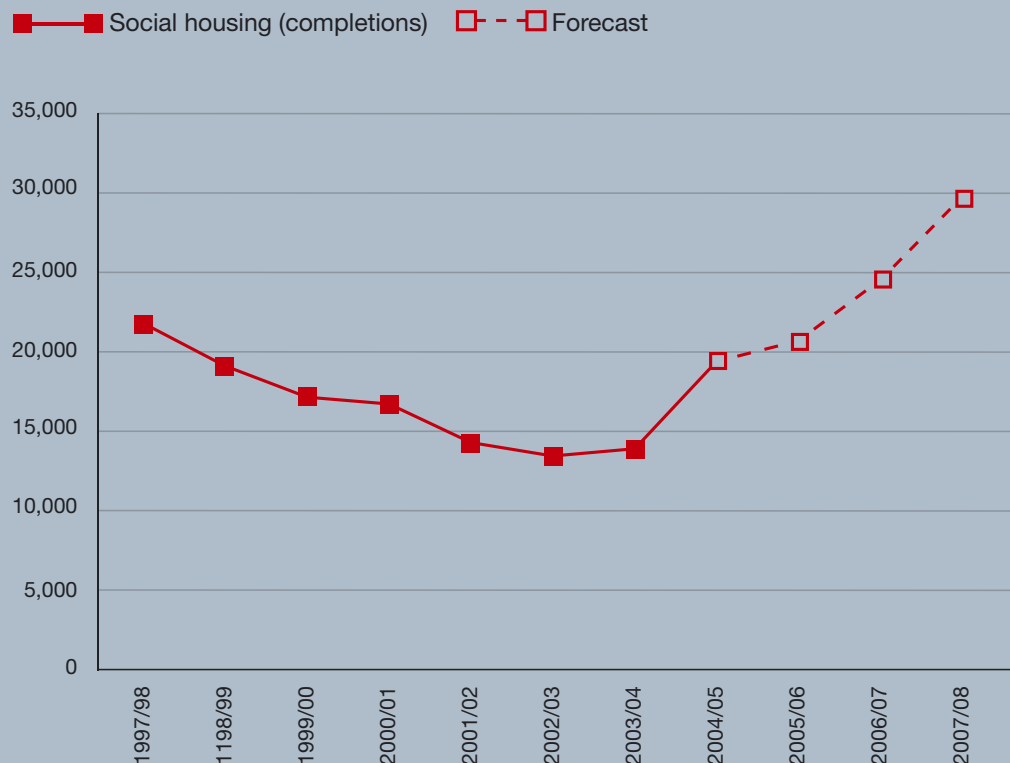
13. Building for the future – 2004 Update (Shelter)

14. Barker Review of Housing Supply in the UK (HM Treasury 2004)

Spending Review 2004

In July 2004, following the Chancellor's Spending Review statement, the ODPM announced that an additional £430 million would be made available annually for investment in new social rented housing. Along with efficiency savings, this was expected to deliver an extra 10,000 social rented homes each year by 2007/08, still some way short of Barker's recommendation.

Government-funded new house builds (completions) – England 1997 to 2008:



Source: Housing Policy: an overview (HM Treasury and ODPM, 2004)

A number of the assumptions of the *Barker Review* have subsequently been challenged.

Shelter, therefore, asked CCHPR to:

- establish how many extra social rented homes would now be needed to reach Barker's minimum prescription of urgent newly arising need
- calculate how many more homes are needed to ensure the Government's target of halving the number of homeless households in temporary accommodation is met by 2010.

The solutions

Increasing the supply of social rented housing (continued)

Newly arising need

CCHPR concluded that the number of new households requiring social rented housing is projected to increase by about 25,000 a year between 2001 and 2021. Assuming, as Barker does, that one third of this demographic expansion is from people who might not be considered a priority for rehousing, about 17,000 more households will urgently require social housing each year.

Taking into account, as Barker does, new dwellings needed to offset losses from past Right to Buy sales and replacement of demolished dwellings, around 35,000 social rented homes are needed each year. As well as this, Shelter believes a further 5,000 units are needed to offset possible reductions in the number of privately owned dwellings let to tenants claiming Housing Benefit, bringing the total newly arising need for social sector housing to 40,000 homes a year.

Social rented housing (per year)	
Annual urgent newly arising need ¹⁵	40,000
Projected output in 2007/08 ¹⁶	30,000
Projected shortfall in meeting urgent newly arising need (per year)	10,000

An extra 10,000 social rented homes above the planned outputs in 2007/08 are therefore needed to keep pace with urgent newly arising need in each year between 2008 and 2011 – 30,000 extra in total.

Temporary Accommodation Target

In January 2005, the Government announced a new commitment to halve the number of homeless households in temporary accommodation by 2010. Shelter strongly supports this target. However, meeting it will be a major challenge.

When the target was announced, the number of homeless households in temporary accommodation in England stood at 100,810. Since then, the rate of increase has levelled off. Broadly speaking, therefore, a reduction by 50,000 households is needed to meet the target.

Estimating how many new homes are needed to achieve this is difficult. This depends on the number of people accepted as homeless by local authorities, a figure that may rise or fall depending on various factors, including the success of measures aimed at preventing homelessness occurring in the first place.

Following the last Spending Review, the ODPM published an analysis based on projections for the number of homeless households expected to be in temporary accommodation in the period up to 2016.¹⁷ These projections took into account all the additional social housing and funding for homelessness prevention activities announced in the last Spending Review. They were also predicated on achieving a significant reduction in the number of homelessness acceptances over this period and assumed that 50 per cent of all new social lettings would go to homeless households (a higher level than is currently being achieved).¹⁸

15. Building to meet housing need and demand (CHPR, forthcoming research)

16. Housing policy: an overview (HM Treasury and ODPM, 2004)

17. PSA target 5; housing supply and demand; ODPM, 2004

18. Ibid. The ODPM analysis is based on projected reductions in homelessness acceptances of 7 per cent in 2005/06; 15 per cent in 2006/07; 26 per cent in 2007/08 and a further 1 per cent year on year thereafter. These reductions take into account the additional provision (extra 10,000 social rented dwellings per year from Spending Review 2004) reaching an increased social housing stock of 30,000 by 2007, an assumed social lettings policy to homeless households of 50 per cent and funding initiatives to prevent homelessness.

On this basis, the ODPM estimated that the number of homeless families with children in temporary accommodation could be reduced by approximately 30,000 by 2016. It should be emphasised that this estimate is based on families with children, whereas the Government's target also includes single people. However, this does provide some indication of the scale of the challenge of achieving the much more significant reduction of 50,000 in the overall number of homeless households in temporary accommodation by 2010.

CCHPR estimated how many homes are needed to meet the Government's target. This estimate is predicated on all the additional social housing announced in the last Spending Review being delivered. It is also based on the ODPM's assessment that 50 per cent of these new lettings will go to homeless households.

On this basis, CCHPR estimated a shortfall of more than 30,000 units (see table below) against the target.

Government new-build targets for reducing households in temporary accommodation

	2005/06	2006/07	2007/08	2008/09	2009/10
Required	10,000	10,000	10,000	10,000	10,000
Additional dwellings to be built reduced by 50% in line with the Government's assumed social lettings policy to homeless households	0	2,500	5,000	5,000	5,000
Shortfall	10,000	7,500	5,000	5,000	5,000

Unlike the ODPM's analysis, this estimate does not factor in a reduction in the number of people being accepted as homeless by local authorities. The number of homelessness acceptances has begun to fall recently. However, it is too early to say whether this represents a discernible trend, or how much of a reduction can be sustained over the long term. The indications are that the number of homelessness acceptances will continue to fall and that this may therefore have an impact on the number of homes needed to meet the target. However, we believe ODPM projections on how much can be achieved through this route are optimistic and that CCHPR's estimate is therefore a reasonable one based on the information currently available.

Completing the picture

With the 30,000 extra units required to keep pace with urgent newly arising need, as well as the 30,000 needed to meet the temporary accommodation target, a total of 60,000 extra social rented homes are needed between 2008 and 2011.

Shelter estimates that this package of investment, alongside the Government's planned outputs, could help lift more than 150,000 children out of bad housing – a key milestone to ending bad housing for the next generation of children.

These 20,000 extra homes a year will not end the housing crisis. Many people will continue to live in bad housing even if they are all built. It is essential that the ODPM commissions up-to-date research along the lines of the 1991 survey of waiting lists for local authority housing, to help inform future decisions on how to tackle the wider backlog of unmet housing need.

The solutions

The regional picture





The Sustainable Communities Plan introduced Regional Housing Boards in each of the English Regions. The boards are responsible for developing regional housing strategies and advising on decisions on funding allocations between housing investment programmes. The ODPM announces the level of housing capital funding in each region and, after consulting interested parties, each board decides what types of homes need to be built.





Shelter supports devolution of decision-making, but we also believe that ministers should provide funds so that each region can deliver a two thirds increase in investment and output of social rented housing between 2008 and 2011.





The map opposite sets out how many extra social rented homes this would deliver in each region, and how many children could be lifted out of bad housing as a result.

The rural housing crisis

Rising house prices and the chronic shortage of social housing are forcing young people out of the villages they have grown up in, undermining the sustainability of rural communities. The Housing Corporation expects that about 1,500 social homes will be built in small rural settlements in 2007/08. This is a long way short of what is needed. Shelter believes that, if ministers find the extra funding we recommend, the Regional Housing Boards must ensure that there is a two thirds increase in output in rural areas after 2007/08 – delivering at least 1,000 extra social rented homes there each year.

North West			
	123,800		1,330
	2,881		10,900

West Midlands			
	57,900		1,330
	3,860		11,500

South West			
	68,200		2,670
	7,049		18,400

Key



Children living in overcrowded accommodation¹⁹



Shelter's recommended additional annual output of social rented units 2008-11

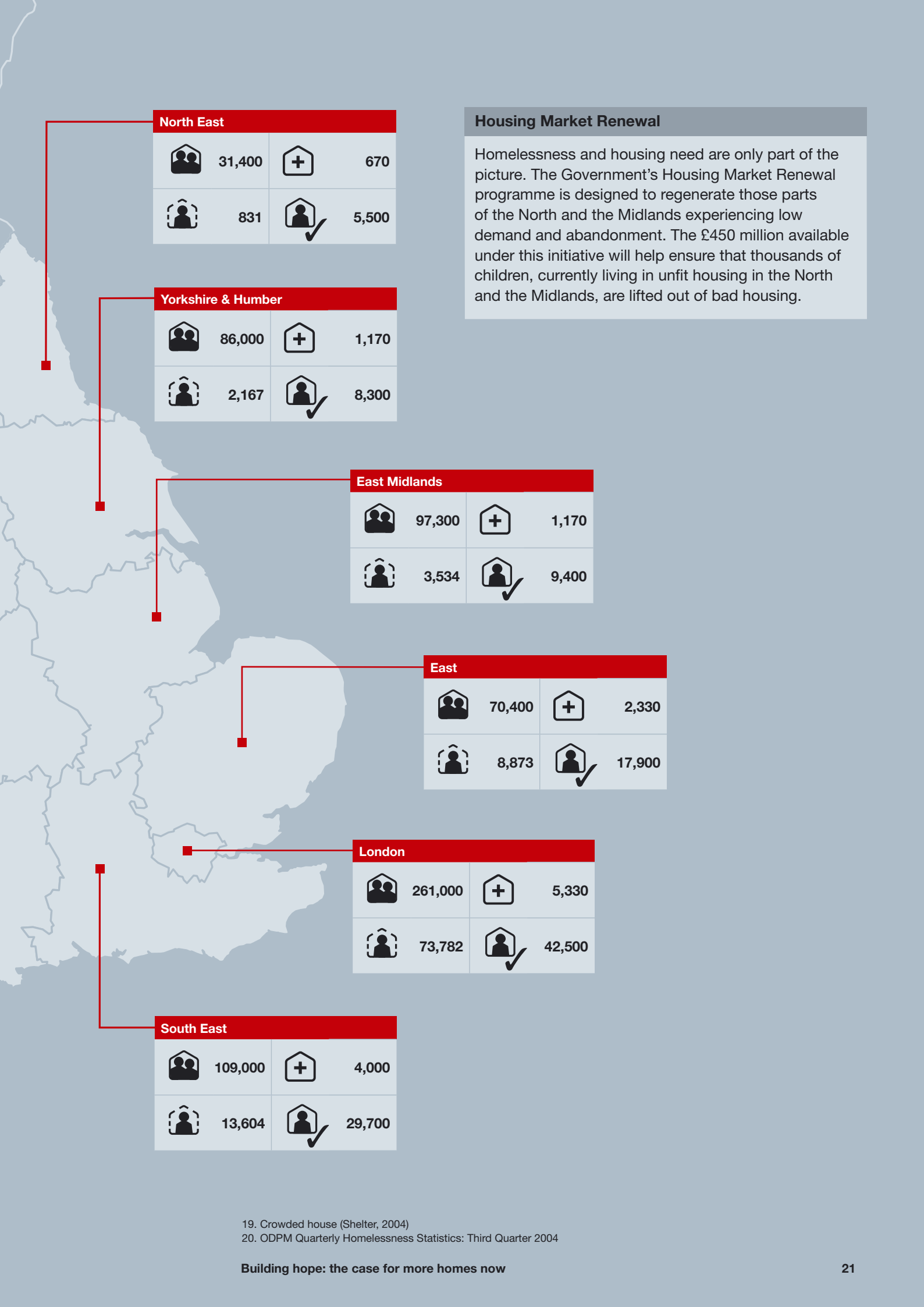


Homeless children in temporary accommodation²⁰



Shelter's estimate of children lifted out of bad housing (2008-11)

Please see page 28 for an explanation of these figures.



Housing Market Renewal

Homelessness and housing need are only part of the picture. The Government's Housing Market Renewal programme is designed to regenerate those parts of the North and the Midlands experiencing low demand and abandonment. The £450 million available under this initiative will help ensure that thousands of children, currently living in unfit housing in the North and the Midlands, are lifted out of bad housing.

19. Crowded house (Shelter, 2004)
20. ODPM Quarterly Homelessness Statistics: Third Quarter 2004

The solutions

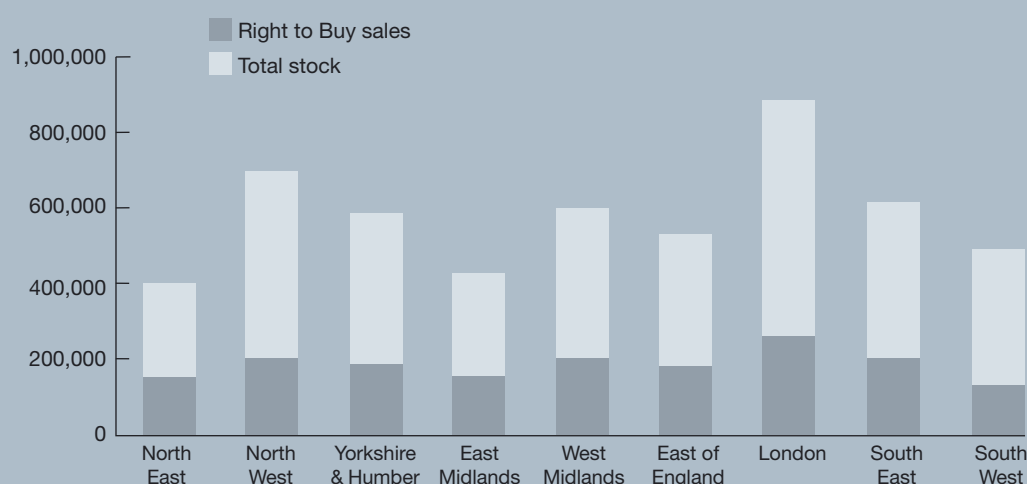
Meeting housing need by other means

Even if ministers make a commitment to fund the extra homes that are urgently needed, they will not be built for several more years. Alongside the extra investment, therefore, Shelter believes that ministers must take other steps now to ease the housing crisis.

The Right to Buy

In the 25 years since its introduction, more than 1.5 million council homes in England have been sold under the Right to Buy scheme. This amounts to about a third of the original stock but, because larger properties were most desirable, a disproportionate number of the properties lost have been family-sized homes.

Right to Buy sales since 1980 as a proportion of all council housing:²¹



After receiving evidence that the rapid loss of council housing was unsustainable in London, and a small number of other 'high demand' areas, the Deputy Prime Minister took decisive action to modernise the Right to Buy in these areas. The maximum discount on the purchase price of the property was reduced to match the £16,000 maximum discount available to housing association tenants under the Right to Acquire.

More recently, the ODPM has published plans to introduce a Social HomeBuy scheme – giving housing association tenants improved rights to purchase up to a 100-per-cent share in their home. All capital receipts generated from sales will be reinvested in new housing. Ministers are considering extending the scheme to council tenants, allowing many of those on lower incomes, who cannot afford to buy their home outright, to own at least a share of it, and so benefit from some of the advantages of home-ownership.

Ultimately, the Social HomeBuy model should replace the outdated and unsustainable Right to Buy. In the meantime, more urgent action is required to deal with the loss of lettings as a result of Right to Buy, not just across southern England, but also in parts of the north and the Midlands where demand for social housing is high. Ministers must bring the maximum discount available under the Right to Buy, in each region, into line with that available to housing association tenants, as has already been done in London.

21. ODPM statistics on Right to Buy sales since 1980

The private rented sector

A larger, more effectively managed private rented sector could play a much greater role in meeting a range of housing needs, including those of key workers and people on low and middle incomes. Shelter backs a new settlement for the sector, based on a two-pronged approach of increasing investment and driving up standards through improved regulation.

The Treasury has already made it clear that the sector's image, which continues to be damaged by a minority of bad landlords, undermines tenants' confidence in the sector and discourages investment. More recently, in line with one of the recommendations of the *Barker Review*, ministers have announced plans to introduce UK Real Estate Investment Trusts (UK REITs), a new tax-transparent vehicle to increase corporate and institutional investment in the sector.

Shelter believes that ministers should build on the licensing schemes contained in the Housing Act 2004, and bring in a more effective regulatory regime alongside UK REITs and other fiscal incentives. This should establish minimum management standards for landlords through a statutory code of practice linked to written tenancy agreements, and a new dispute resolution mechanism, giving an avenue for tenants to challenge landlords in breach of the code.

This approach would dramatically improve the management of the private rented sector and ensure that it is an attractive and secure alternative for those who don't qualify for social housing but are not ready to take their first step onto the property ladder.

Planning gain

Shelter believes that the planning system must be used to its full potential to supply social housing on the same sites as private developments, to ensure the creation of inclusive, mixed and sustainable communities. CCHPR research found that around 16,000 affordable homes were built last year as a result of 'planning gain' contributions secured from developers under 'section 106' agreements. However, only a quarter of these (4,000) did not require public subsidy, and the vast majority were for low-cost home-ownership, rather than social rented housing.

The *Barker Review* proposed a central development tax – a Planning Gain Supplement (PGS) – as an alternative to the use of section 106 agreements. Shelter is not opposed to a PGS, although we are concerned that it could restrict the ability of local authorities to secure planning gain through section 106 agreements. The Government have also proposed a number of wider planning reforms. We welcome the emphasis these place on increasing the capacity of the planning system. However, it is essential that ministers ensure that a PGS and the wider reform agenda deliver more social rented homes and sustainable, mixed communities before replacing the current system.





The solutions

Preventing homelessness

Intervention and support at an early stage can help ensure that people do not become homeless in the first place. The Homelessness Act 2002 requires local authorities to develop a more strategic approach to tackling homelessness, including placing a greater emphasis on preventing people becoming homeless. The ODPM's Homelessness and Housing Support Directorate provides funding to help promote this more strategic, preventative approach.

Tenancy sustainment services

The transition from temporary accommodation to a permanent home can be a difficult one, practically, financially, and psychologically. Homelessness usually means the loss not only of a home, but also of support networks, of employment, and perhaps most importantly, of confidence and self-esteem. Many homeless people also have health and social care needs, which may have contributed to or result from their homelessness, and may have had traumatic experiences of domestic violence, relationship breakdown, or family conflict in the recent past. These problems and unmet support needs can lead to people becoming homeless again and again.

It is estimated that 10 per cent of those accepted as homeless by local authorities have been homeless before.²² This figure rises as high as 48 per cent in some areas. Tenancy sustainment services are the key to preventing repeat homelessness. Shelter's Homeless to Home service has a proven track record in preventing homelessness. It provides advice, advocacy, and practical assistance to help families settle into a new home and the community, and to avoid becoming trapped in a cycle of homelessness.

The Spending Review 2004 increased the ODPM Homelessness and Housing Support Directorate's budget from £60 million to £74 million, enabling it to expand the support given to homelessness prevention. Shelter believes that there should be a further increase in the Directorate's budget, with specific focus on tenancy sustainment schemes similar to the Homeless to Home model. We estimate that an extra £35 million would put in place a small tenancy support service in each local authority in England.

Housing advice and representation

Good advice and legal representation can ensure that housing problems are dealt with promptly and that homelessness is averted. A recent Legal Services Research Centre survey reported that half the population experienced a legal problem between 1998 and 2001.²³ Housing was listed in the top three most common problems for which advice was sought.

While funding for Criminal Legal Aid has risen by 37 per cent in real terms in 1997, spending on civil and family matters has dropped by 24 per cent.²⁴ Housing is one of the areas that has been hardest hit. Some parts of the country are 'advice deserts' with chronic shortages, particularly of specialist advice and solicitors.

Shelter welcomes recent statements from the Department for Constitutional Affairs, which have emphasised the importance of publicly funded legal and advice services in tackling social exclusion. We also welcome the Department's reform and efficiency agendas. However, it is not tenable to deliver the Government's vision of providing access to justice for vulnerable and excluded people without an increase in resources. The Government must at least restore the civil budget to 1997 levels and ring fence it from further erosion by criminal expenditure.

22. Homelessness statistics: September 2003 and repeat homelessness, Policy Briefing 6 (ODPM, Jan 2004)

23. Legal Services Commission Corporate Plan 2003/04, page 7

24. A Fairer Deal for Legal Aid (Department for Constitutional Affairs, July 2005, page 5)

The solutions

Supporting people in housing need

Support is also needed to help ease the pressures facing many of the most vulnerable people in housing need.

Social Fund Community Care Grants

Many homeless people have serious financial problems when first moving into unfurnished permanent accommodation. This undermines their ability to sustain their tenancy and can lead to them becoming homeless again. In theory, the Social Fund Community Care Grant (CCG) is available to help people in these circumstances buy furniture and appliances. However, it is a limited budget that is often either insufficient or exhausted.

Community Care Grant funding since 1997/98 (£ millions):



The CCG budget has been increased by about £10 million a year since 2002/03. While the CCG is not limited to homeless people, we believe that a commitment to make similar increases in the years ahead would improve the chances of homeless people getting the money they need.

Working futures

All the evidence shows that homeless households experience a severe 'poverty trap' that prevents them securing and maintaining employment while placed in expensive temporary accommodation. Homeless households are likely to have to wait long periods for a permanent home for the foreseeable future. This alienation from the job market deepens social exclusion, making it much harder for homeless people to get back on their feet.

The Department for Work and Pensions (DWP) is now piloting a new scheme to ease this poverty trap. The Housing Benefit budget in 2005/06 and 2006/07 has been top-sliced by £2.28 million to fund a new scheme that ensures that homeless households are liable only for a rent equivalent to the average local social sector rent. One hundred homeless households in east London will have their rent reduced from about £320 to £90 a week, enabling them to move into employment. The administering Registered Social Landlord – East Thames Housing – receives a block grant from the DWP to pay the extra cost direct to the landlord. Shelter strongly supports the scheme and hopes that ministers will roll it out nationally at the earliest opportunity.

Disabled Facilities Grants

Disabled Facilities Grants (DFGs) contribute towards aids and adaptations that allow those with disabilities to live independently in their homes. Shelter is a member of a coalition of charities that is campaigning for reform of the eligibility and entitlement criteria for families with disabled children. In particular, we believe that the current £25,000 cap on each grant should be raised to a level at least comparable with Wales (£30,000), and the means test abolished where the grant is for a disabled child.

The Government is undertaking a fundamental review of the DFG regime, and research is currently under consideration by the ODPM. Funding for DFGs has been increased to £103 million in 2005/06, and is set to increase further to £120 million in 2007/08. However, a further funding increase would be required to ensure that the costs of aids and adaptations for disabled households are more fully met. Shelter, therefore, strongly supports further annual increases of at least £20 million in the DFG budget to fund these essential reforms.

Gypsies and travellers

The shortage of suitable sites contributes to tensions between Gypsies and travellers and the settled community. The Regional Housing Boards have been required to make provision for Gypsies and travellers in their 2005–16 strategies and funding recommendations. The ODPM has already committed £8 million to fund new stopping places and residential sites for caravans in 2005/06. To create 450 new pitches, £40 million is being made available over 2006–08.

Shelter supports this investment and believes that a similar level of funding should be top-sliced from the Budget in the next Spending Review period to deliver a further 450 authorised sites.

Hostels

Although the ODPM plans to reduce local authorities' dependence on temporary accommodation, it is clear that, as well as several thousand vulnerable single people, tens of thousands of non-priority single homeless people will still be dependent on hostel accommodation for the foreseeable future.

The 2004 Spending Review included a £90 million Hostels Improvement Programme to begin the modernisation of this outdated stock. Although it is extremely welcome, this funding is not enough to upgrade all hostel accommodation, and Shelter therefore recommends that a similar amount of funding be made available between 2008 and 2011 to continue this work.

Recommendations

Shelter believes that the Government must provide an additional 20,000 extra social rented homes, above existing commitments, each year between 2008 and 2011.

To achieve this, the Treasury must invest a package of £1.25 billion to deliver a total of 60,000 homes over the three years. We estimate that these extra homes could help lift more than 150,000 children out of bad housing by 2011.

In addition, Shelter recommends that:

- The ODPM updates the overcrowding standards and encourages the Regional Housing Boards and Housing Corporation to increase the proportion of new family-sized social housing.
- The Regional Housing Boards and Housing Corporation increase the amount of supported housing for vulnerable single homeless people.
- The ODPM further reforms the Right to Buy, and modernises the private rented sector and planning system to help maximise the supply of housing for those in less acute need.
- The Government expands tenancy sustainment and legal advice services to help people avoid becoming homeless in the first place, and increases the support available to those in housing need.

How we arrived at these figures

1. **Estimated annual outputs of social rented housing 2007/08.** Shelter's estimate of regional annual outputs is based on information available from regional housing strategies, the recent ODPM announcement on 2006/08 regional investment splits, and past trends.
2. **Additional annual output of social rented housing 2008–11.** This is for the financial years 2008/09, 2009/10 and 2010/11. It includes output needed to meet both newly arising need and the Temporary Accommodation Target.
3. **Additional cost.** This is based on 2004/06 regional grant rates for social rented housing.
4. **Children lifted out of bad housing.** This is Shelter's estimate of the number of children that could be lifted out of bad housing through the Government's planned output of social rented housing and Shelter's estimate of additional output required, over three years. The estimate is based on the current regional patterns of households with dependant children and pregnant mothers accepted as homeless. This calculation is applied after a percentage of social rented housing needed for households without children accepted as homeless has been subtracted and accommodated.





Join the campaign

I believe that it is a scandal that more than one million children are suffering in squalid, temporary or crowded homes. I call on the Government to act now to end bad housing for the next generation of children.

Title*	Please enter your date of birth if you are under 18 / /
Full name*	
Email	
House number/Street*	
Town/City*	
Region/Country*	
Postcode*	
Telephone	
Signed	

*Denotes mandatory field – please complete these fields in full.

You will be sent regular updates about Shelter's campaigns and what you can do to help.

Shelter believes everyone should have a home.
We help people find and keep a home.
We campaign for decent housing for all.

Shelter

More homes now

Every day in Britain, more than one million children wake up in squalid, temporary or crowded accommodation. Bad housing is making our children ill, robbing them of a decent education and damaging their future.

There is a chronic shortage of affordable housing.

The building of new social housing – homes for those most in need – is at historically low levels. But the number of homeless households is at an all-time high.

You can make a difference. We need you to join 50,000 Shelter campaigners and help us to press for more homes.

But you have to act fast. The Chancellor, Gordon Brown, is working on his Pre-Budget Report now, and is due to respond to one of the most important official investigations into housing, the *Barker Review*. This is the Government's chance to show that it wants to put a stop to children living in bad housing.

Shelter is calling for Gordon Brown to:

■ build 60,000 more social rented homes between 2008 and 2011

■ **ACT NOW** – before a generation of children loses hope.

To keep up to date with our campaign progress, please visit www.shelter.org.uk

To voice your protest, please fill in the form on the reverse and return it to:

T/C Shelter campaigns
Freepost SE3319
88 Old Street
London EC1V 9HU

Bad housing wrecks lives

Registered company number 1038133
Registered charity number 263710

We are the fourth richest country in the world, and yet millions of people in Britain wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. Bad housing robs us of security, health, and a fair chance in life.

Shelter believes everyone should have a home.

We help 100,000 people a year fight for their rights, get back on their feet, and find and keep a home. We also tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

We can only do this with your help. Please support us.

88 Old Street
London
EC1V 9HU

Telephone 0845 458 4590
or visit www.shelter.org.uk

Cover photo: Jan Eric Posth

Shelter