

## Section 2 Commentary

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### Chapter 5

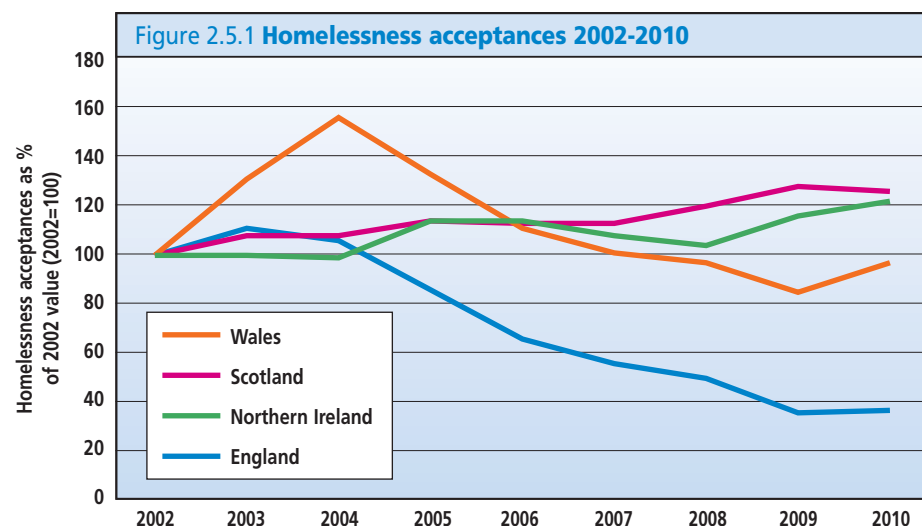
# **Homelessness, housing needs and lettings**

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## Homelessness and its prevention

Across the UK, statutory homelessness rose in 2010 for the first time since 2003 (see Compendium Tables 90 and 104). As shown in Figure 2.5.1, this partly reflects the fact that the number of households assessed as unintentionally homeless and in priority need in England bottomed out after a sustained period of decline. At the same time, numbers rose significantly in Wales and Northern Ireland. Scotland saw a modest reduction. However, this is notable given that the widening of priority need criteria here has been proceeding through its final phase ahead of the 2012 target for full implementation of the Homelessness etc. (Scotland) Act 2003.

Table 2.5.1 presents another way of demonstrating the strikingly divergent trends recently in evidence across the four UK jurisdictions. Even in 2003, the rate of statutory homelessness in Scotland was double that in England and Wales. By 2010, the differences were even more stark. At least in 2003 the homelessness legislation operating in the four jurisdictions was very similar. On this basis it appears, therefore, that differing interpretations of local authority statutory responsibilities on homelessness are long-established across the UK.



Sources: See Compendium Tables 90 and 104.

Note: Figures for Wales and Northern Ireland are for financial years.

**Table 2.5.1 Statutory homelessness rates in 2003 and 2010**

	Household population (000s)	Homelessness acceptances		Homelessness – acceptances per thousand households	
		2003	2010	2003	2010
England	21,731	135,590	42,390	6.2	2.0
Scotland	2,331	30,028	34,785	12.9	14.9
Wales	1,297	8,512	6,255	6.6	4.8
Northern Ireland	689	8,580	10,443	12.5	15.2

Sources: Homelessness numbers – Compendium Tables 90 and 104; Household projections – endnotes to Commentary Chapter 2.

Notes: 1. Household population figures relate to 2008. 2. Homelessness acceptances for Wales and Northern Ireland are for financial years.

**Table 2.5.2 Homelessness prevention and relief activity by local authorities in England, 2008/09-2010/11**

Form of homelessness prevention	2008/09 (000s)	2009/10 (000s)	2010/11 (000s)	% change, 2008/09- 2010/11
<i>Households assisted to remain in existing home</i>				
Debt advice or financial assistance	13.2	16.3	22.7	+71
Family mediation or conciliation	7.5	9.8	10.5	+39
Sanctuary scheme	3.8	5.2	6.1	+60
Crisis intervention – emergency support	1.4	2.3	3.1	+115
Mortgage rescue	1.7	3.6	6.4	+281
Other assistance to help retain private or social tenancy	12.6	20.3	25.3	+100
Other actions to assist in retaining accommodation	7.5	6.8	7.7	+3
<i>Households assisted to obtain alternative accommodation</i>				
Help to find private tenancy	45.2	60.2	57.7	+28
Mainstream social tenancy arranged	14.7	20.8	24.9	+70
Supported tenancy or lodging arranged	6.8	11.6	13.3	+95
Accommodation arranged with friends or relatives	3.2	5.2	7.0	+121
Other actions to assist in obtaining new accommodation	5.7	3.1	4.2	-27
<b>Total</b>	<b>123.4</b>	<b>165.2</b>	<b>188.9</b>	<b>+53</b>

Source: DCLG Homelessness prevention and relief statistics.

Other than the Scottish legal reforms mentioned above, the main factor underlying the strikingly divergent trends seen over recent years (see Figure 2.5.1) is probably the impact of 'prevention-centred practice' strongly promoted by the Westminster government from 2002.<sup>1</sup> Since 2008/09, DCLG has been monitoring directly such action. As presented in Table 2.5.2, this series shows actions undertaken by English local authorities on an 'informal' basis – i.e. outside the statutory homelessness framework. Hence, the enumerated instances where applicants are assisted to obtain private or social sector tenancies do not constitute formal 'discharges of duty' as is the case when an authority arranges a tenancy for a homeless household legally owed the main rehousing duty.

Table 2.5.3 sets the figures shown in Table 2.5.2 within the context of statistics on local authority homelessness actions recorded within the *statutory* framework. The total number of recorded 'homelessness and relief' cases in 2010/11 – some 189,000 – was almost double the gross number of statutory assessment decisions (accepted as priority homeless or otherwise) recorded in the same year (102,000). This could be read as illustrating that, in England, two-thirds of local authority homelessness work is now being undertaken via purely informal procedures.

Another striking aspect of Table 2.5.1 is that, by 2009/10, statutory homelessness in Scotland had risen close to the level recorded in the whole of England.

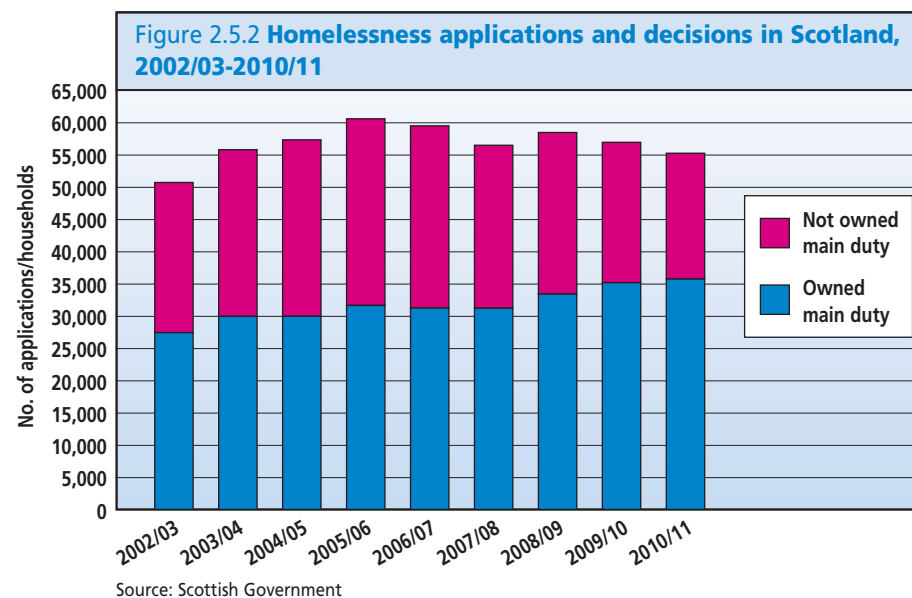
**Table 2.5.3 Formal and informal homelessness action by English local authorities, 2008/09-2010/11**

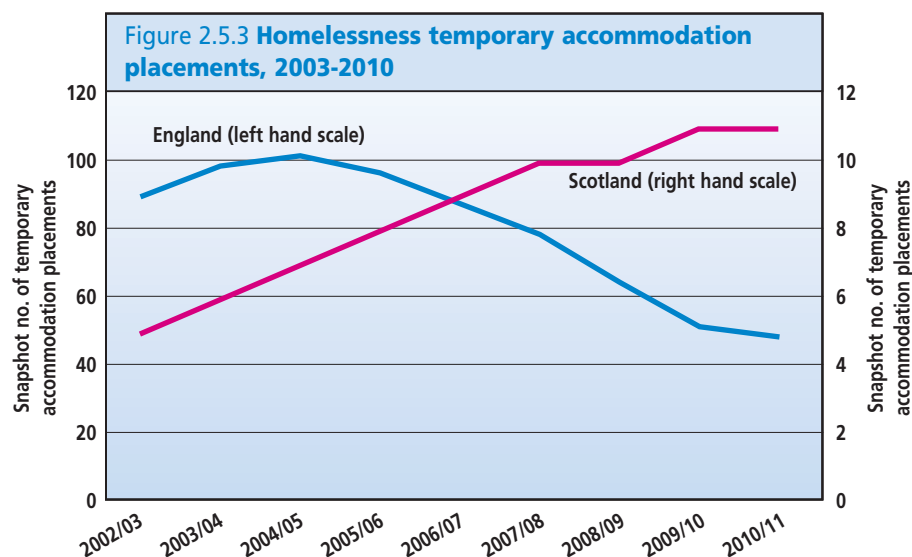
	2008/09 (000s)	2009/10 (000s)	2010/11 (000s)	% change, 2008/09- 2010/11
Instances of homelessness prevented	130	165	189	+45
Formal homelessness assessment decisions	113	89	102	- 10
Statutory homelessness acceptances	53	40	44	- 17
Statutory homeless acceptances rehoused in social housing	38	34	28	- 26
Statutory homeless acceptances rehoused in private tenancy	3	4	2	- 33

Sources: DCLG Homelessness prevention and relief statistics; DCLG Statutory homelessness statistics.

However, as shown in Figure 2.5.2, recorded homelessness *applications* peaked in Scotland in 2005/06. Hence, the ongoing increase in the number of households owed the main (rehousing) duty reflects other factors. Probably the most important of these is the phased abolition of the 'priority need' test – due for full elimination in 2012 (see above). Henceforward, applicants found unintentionally homeless will be owed the main rehousing duty irrespective of their household characteristics (i.e. whether the household contains a child, pregnant woman or 'vulnerable person'). This is likely to be the main cause of the recently increasing *proportion* of applications assessed as 'owed the main duty' – as seen in Figure 2.5.2. In the four years to 2010/11 this proportion rose from 55 per cent to 65 per cent of all recorded applications.

Key consequences of trends in homeless applicants 'owed the main duty' (see Figure 2.5.1 and Table 2.5.1) include changes in the scale of homelessness temporary accommodation placements. As shown in Figure 2.5.3 on the next page, the declining trend recorded in England from 2004/05 saw numbers dip below the 50,000 mark during 2010. While this evoked remarkably little comment, it marked the achievement of a key ministerial target set at the start of this period.





Sources: Compendium Table 91 and Scottish Government.

Note: Figures relate to financial year end.

In Scotland, by contrast, rising statutory homeless numbers (see Table 2.5.1) have contributed to a doubling in the number of temporary housing placements since 2003 (see Figure 2.5.3).

### Rough sleeping

With ministers committing to the principle of 'no second night out', reducing rough sleeping has recently re-emerged as a major priority within homelessness policy in England.<sup>2</sup> National systems for enumerating rough sleeping have been in place since the 1990s. With the reduction of rough sleeper numbers adopted as a key social inclusion target by the first Blair administration in 1998, the figures generated by the Westminster government's monitoring system achieved particular prominence around this time. Published statistics collected under this system showed rough sleeping falling from over 1,800 in 1998 to only 600 in 2002. Subsequently, over the next few years the published national total hovered around 500.<sup>3</sup> However, the methodology underlying these estimates attracted growing criticism.

First, it has been argued that the presentation of snapshot counts as 'annual totals' understates the scale of the problem since the numbers sleeping rough at some point in any given year will inevitably be far greater than those doing so on a single night.

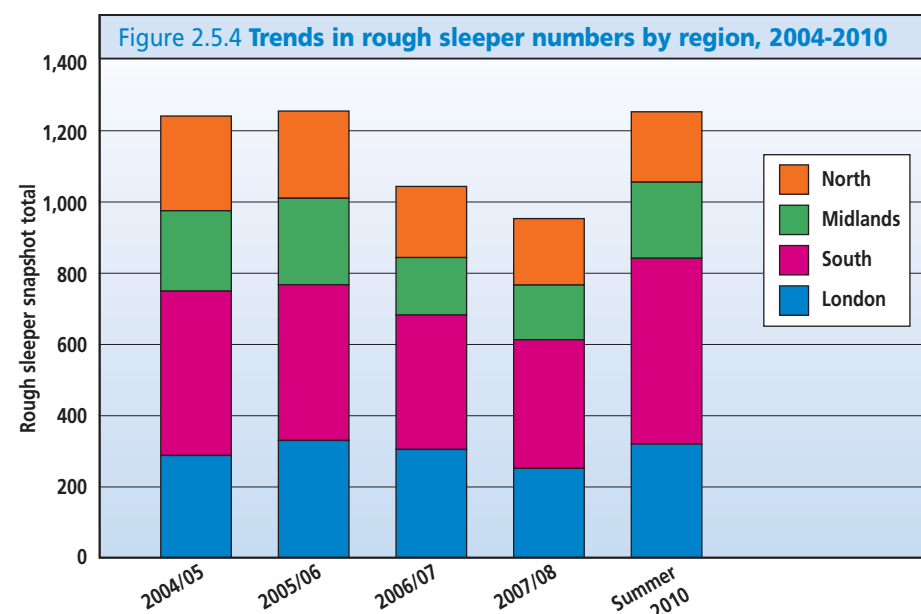
Second, the methods used for snapshot counts have been controversial. The most fundamental point is the simple observation that the resources available for such counts are always likely to be insufficient to achieve comprehensive coverage. Also, enumerator avoidance of dangerous or inaccessible locations will result in some undercounting. Possibly in part due to such limitations, in 2007 official rough sleeper counts in London and elsewhere were alleged by voluntary agencies to be gross underestimates. One celebrated case involved a drug treatment agency in Manchester which reported that 'nearly half' of the 100 injecting drug users it surveyed were 'roofless' (rough sleepers). This seemed to cast doubt on the official 2007 Manchester City Council estimate of only seven rough sleepers in the entire city.<sup>4</sup>

A third objection to the pre-2010 official methodology for national rough sleeper estimates in England related to the procedure for rough sleeper enumeration in areas where the annually submitted local authority estimate was only a 'council estimate' not based on an actual count. In DCLG's summer 2010 data collection round, for example, the vast majority of councils submitted estimates only. For the purpose of assembling national totals, each of these was processed by first assigning it to a band (0-10, 11-20, etc.) and second assuming the lowest point within the band to be the best estimate for the council concerned. This was originally justified on the basis of a Westminster government view that 'local authorities almost invariably overestimate the scale of rough sleeping in their district until they undertake a street count'.<sup>5</sup> However, with most authority estimates tending to lie in the 0-10 band, all of these will have summed to zero for the purposes of the national total.

Recognising inadequacies in existing methodology, incoming coalition government ministers ordered a shake-up of the approach to rough sleeper enumeration in 2010. Under the new guidance, local authorities opting for desk-based estimates rather than actual counts must consult on this with agencies working with rough sleepers in their area.

Before discussing the latest rough sleeping statistics, as generated from DCLG's new methodology, let us first look back at the regional and national trends in rough sleeper numbers as generated under the previous methodological framework, but eliminating the potentially distorting effect of the official 'rounding down' technique (see above), by drawing on the numerically specific rough sleeper estimates submitted annually to the Audit Commission until 2008.<sup>6</sup> As illustrated in Figure 2.5.4, in all regions, a gradual decline until 2007/08 was reversed in the most recent period. However, this turnaround was particularly marked in the South while only very modest in the North.<sup>7</sup>

Using its new methodology (see above), DCLG estimated that the Autumn 2010 snapshot rough sleeping total for England amounted to 1,768 as compared with 1,247 rough sleepers recorded under the former approach in Summer 2010.<sup>8</sup> However, because of the different approaches used, the two sets of figures cannot be simply compared.



Sources: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns; Summer 2010 – DCLG.

Detailed statistics on rough sleeping in London are compiled via Broadway's CHAIN system. CHAIN data are particularly useful in providing 'flow' information on rough sleepers in the capital rather than just snapshots, and offer both a consistent time series and more in-depth information about rough sleeper characteristics.<sup>9</sup> CHAIN figures have shown a steady increase in the incidence of rough sleeping in London over recent years. Rough sleepers counted by outreach workers as having slept rough during 2010/11 totalled 3,975 – 8 per cent up on the previous year and 33 per cent higher than in 2006/07.<sup>10</sup> As also revealed by CHAIN statistics, around a quarter of London's rough sleepers are nationals of Central and Eastern European (CEE) countries – mainly individuals from Poland and Romania (see Contemporary Issues Chapter 4 for discussion of the complex entitlements to housing and welfare benefits which mean that such migrants, or agencies advising them, are often unaware of what help they might be eligible for).

### Social housing lettings

Combined with modest rates of new social housing construction, the shrinking size of the social rented sector since 1980 has inevitably resulted in a reduced flow of properties becoming available to let. While the impact of contracting stock numbers on relet numbers has lagged considerably,<sup>11</sup> by the late 1990s the effects began to kick-in to a marked extent. In England, for example, during the ten years to 2006/07, the supply of properties becoming available for let (as measured by lettings to new tenants) contracted by 38 per cent. This resulted not only from the diminished size of the social housing stock but also from the declining 'relet rate' – i.e. the number of existing homes falling vacant each year as a proportion of the total stock. As compared with the position ten years earlier, this latter factor alone resulted in a 'loss' of over 50,000 lettings in England in 2006/07.<sup>12</sup>

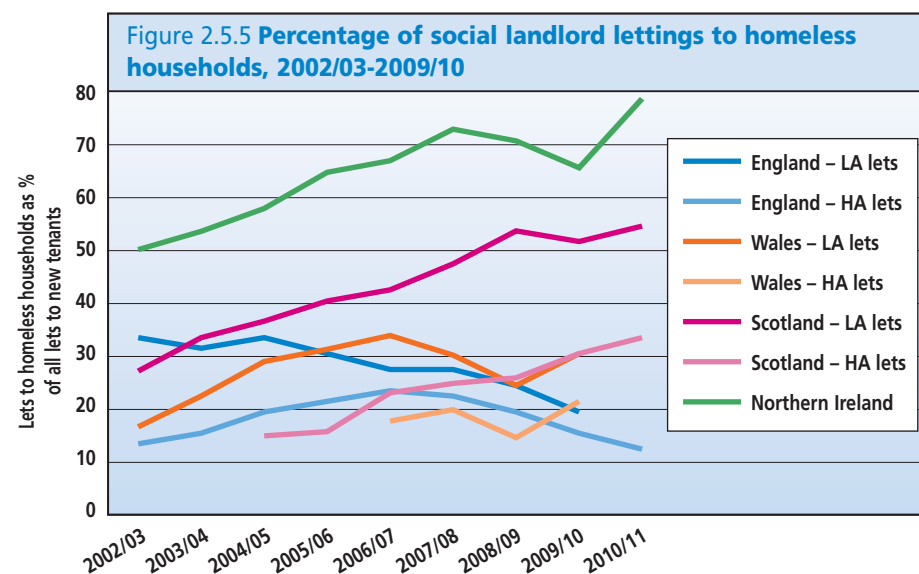
However, as shown in Table 2.5.4, new supply in the social rented sector has remained fairly steady over more recent years. In part, this reflects the fact that – at least in many parts of England – the relet rate has 'bottomed out' close to its lowest possible level. Also of some significance will have been the gradually increasing rates of new social housing construction seen in the period 2003-2009. Albeit from a low base, housing association completions across Great Britain almost doubled (rose by 92 per cent) during this period – see Compendium Table 19h.

**Table 2.5.4 Lettings to new tenants, 2002/03-2009/10 (000s)**

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
England	308	266	257	229	220	206	212	222
Wales	-	-	-	-	19	19	21	17
Scotland	-	-	50	48	48	46	45	48
Northern Ireland	9	8	8	8	8	7	8	9

Sources: see Compendium Tables 97, 102-104.

In combination with falling rates of homelessness acceptances in England and Wales (see above), relatively steady rates of new supply in these jurisdictions (see Table 2.5.4) have been reflected in recently declining proportions of new tenancies allocated to homeless households – see Figure 2.5.5. At the same time, there has been a notable divergence in the relevant trend between Scotland and Northern Ireland, on the one hand, and England and Wales on the other.



Sources: See Compendium Tables 96, 98, 102, 103 and 104.

As regards social sector lettings in England, one important question for the future is the extent to which homes will be let on fixed-term tenancies. A straw in the wind here was the recent survey finding that most large housing associations planned to move to this new regime.<sup>13</sup> The extent to which this will be part of a more general move towards fixed-term tenancies on the part of all social landlords remains to be seen.

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- Written answer to Parliament by Hilary Armstrong, Secretary of State, 19 May 1999 – Hansard (see [www.publications.parliament.uk/pa/cm/199899/cmhansrd/vo990519/text/90519w04.htm#90519w04.htm\\_wqn9](http://www.publications.parliament.uk/pa/cm/199899/cmhansrd/vo990519/text/90519w04.htm#90519w04.htm_wqn9)).
- Note that the Audit Commission figures are 'snapshot counts' submitted by local authorities within the context of annual 'performance indicator' returns for the financial years as specified.
- While the provenance of the data underlying Figure 2.5.4 is subject to many health warnings, it provides the only available basis for tracking trends in the incidence of rough sleeping at a regional level over recent years.
- DCLG (2010) *Rough Sleeping Statistics England – Autumn 2010 Experimental Statistics* (see [www.communities.gov.uk/publications/corporate/statistics/roughsleepingautumn2010](http://www.communities.gov.uk/publications/corporate/statistics/roughsleepingautumn2010)).
- Because this method enumerates people who have slept rough during a given period the resulting figures cannot be directly compared with the snapshot numbers produced under the DCLG approach as described above.
- Homeless Link *et al* (2010) *Homelessness Trends and Projections* (see [www.homeless.org.uk/sites/default/files/Homelessness%20briefing%20-%20December%202010.pdf](http://www.homeless.org.uk/sites/default/files/Homelessness%20briefing%20-%20December%202010.pdf)); Broadway (2011) *Street to Home Annual Report 2010/11* (see [www.broadwaylondon.org/CHAIN/Reports/main\\_content/S2H\\_201011\\_final.pdf](http://www.broadwaylondon.org/CHAIN/Reports/main_content/S2H_201011_final.pdf)).
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