

Section 2 Commentary

Chapter 5

Homelessness

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This chapter compares homelessness policies, trends and outcomes in England, Scotland, and Wales in 2022. The policy and legal homelessness frameworks adopted across Great Britain (GB) have evolved to look increasingly different post-devolution, and so this chapter provides an overview of policies and their differences in the three administrations, then with more detail on:

- statutory homelessness
- temporary accommodation
- core homelessness.

Homelessness trends in Northern Ireland are summarised briefly. The chapter ends by considering the effectiveness and impact of the various homelessness policy interventions.

Homelessness law and policy

Since devolution in 1999, key differences have emerged in homelessness policy and the legal landscape across Great Britain. While England has increasingly focused on rough sleeping, Scotland and Wales have placed continued emphasis on all dimensions of homelessness, with legislative and policy changes increasingly oriented toward rapid rehousing, and transformation in the quality and use of temporary accommodation. This section looks briefly at the origins and evolution of these key divergences.

National homelessness policy in England in the 2010s was driven by 'localism', with central government tending to back away from direct involvement.¹ By 2017, against a backdrop of growing homelessness and rough sleeping, government intervention grew again, with that year's Conservative manifesto promising to halve rough sleeping by 2022 and end it entirely by 2027 (later brought forward to 2024). Government-funded pilots of Housing First were launched in 2018, and in the same year a national Rough Sleeping Strategy was published, with linked funding for initiatives to help people at risk; the strategy was then updated in September 2022.²

The Homelessness Reduction Act 2017 introduced a range of local authority prevention and relief duties owed to all eligible households that are homeless or at risk of homelessness. However, the breadth of this legislative initiative belies a

narrower strategic approach that has increasingly focused on rough sleeping. Moreover, a large-scale longitudinal study recently published by Crisis demonstrates that, though the 2017 Act opened up access to support for many more people facing homelessness, particularly single people, the effectiveness of what is otherwise progressive legislation is limited by the 'priority need' test that continues to restrict rehousing rights.³

Homelessness policy in Wales tended to track that in England, but this trend reversed with the passing of the prevention-oriented Housing (Wales) Act 2014. In 2019, the Welsh Government established an independent Homelessness Action Group, with a remit to 'end homelessness in Wales' and – based on the group's recommendations – the Programme for Government 2021-26 pledged to 'fundamentally reform' homelessness services to focus on prevention and rapid rehousing. The group also recommended the phasing out of the priority need and intentionality tests. The move to phase out priority need in particular now seems unstoppable, having gained momentum with the effective suspension of the test during the pandemic. An expert review panel is now considering further legal reform to end homelessness.⁴

Scotland was ahead of Wales in abolishing priority need in 2012, meaning that virtually all eligible homeless households in Scotland are entitled to settled accommodation. In 2017, a Homelessness and Rough Sleeping Action Group was convened, and its recommendations played a pivotal role in the Scottish Government's 2018 *Ending Homelessness Together Action Plan*. The subsequent delivery of Rapid Rehousing Transition Plans by local authorities, alongside the development of the Housing First Scotland pathfinder programme, became the cornerstones of the Scottish approach. The action group was reconvened during the pandemic and made further recommendations, leading to a revised and even more ambitious plan to end homelessness.⁵ The Scottish Government has since consulted on proposals for wider public-sector homelessness prevention duties, and changes to encourage preventative action within a six-month time window.

Across the UK, responses to rough sleeping were radically altered by the pandemic, when those sleeping rough, at risk or in communal shelters were placed in hotels or similar accommodation. The measures produced rapid results. Scotland and

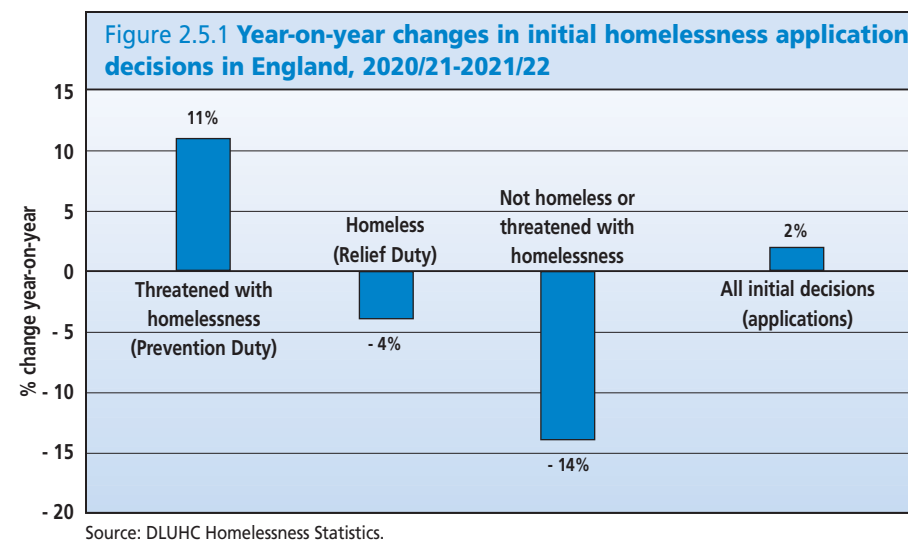
Wales continue to offer improved protection to people with 'no recourse to public funds' and have moved towards permanent closure of communal night shelters. But in England these public health-inspired gains now seem to be unravelling, with the Kerslake Commission finding highly variable practice between local authorities⁶ and rough sleeping on the increase. An estimated 3,069 people were sleeping rough on a single night in Autumn 2022, 26 per cent higher than a year earlier (2,443).⁷

Statutory homelessness

After the passing of country-specific homelessness legislation and the resulting differences in legal frameworks, comparing homelessness statistics across the UK has become more difficult. However, approximate comparisons can be made even if data are not entirely consistent. This section looks first at rates of 'full-duty acceptances' before considering data on initial decisions on the type of homelessness duty owed.

In terms of full-duty acceptances – which essentially refer to those owed the main rehousing duty – Scotland records a much higher rate of homelessness acceptances (about 11 per 1,000 households in 2020/21) than either England (two per 1,000) or Wales (three per 1,000). This disparity largely reflects the stronger rights people have under the Scottish system, particularly after the abolition of priority need, with wider groups of people owed the main rehousing duty than elsewhere in GB.

With the legislative changes in England and Wales, more of those seeking homelessness help are being formally assisted under prevention or relief duties, meaning that fewer applications progress through the system to the full-duty acceptance stage. This has seen full-duty acceptance as a measure of homelessness complemented by a new official measure – namely 'initial decision of homelessness duty owed'. This refers to whether – at the point of initial contact with the local authority – an applicant is assessed to be homeless or threatened with homelessness and is eligible for assistance, with eligibility depending primarily on a person's immigration status and whether they may have 'no recourse to public funds' and therefore be debarred from homelessness assistance.



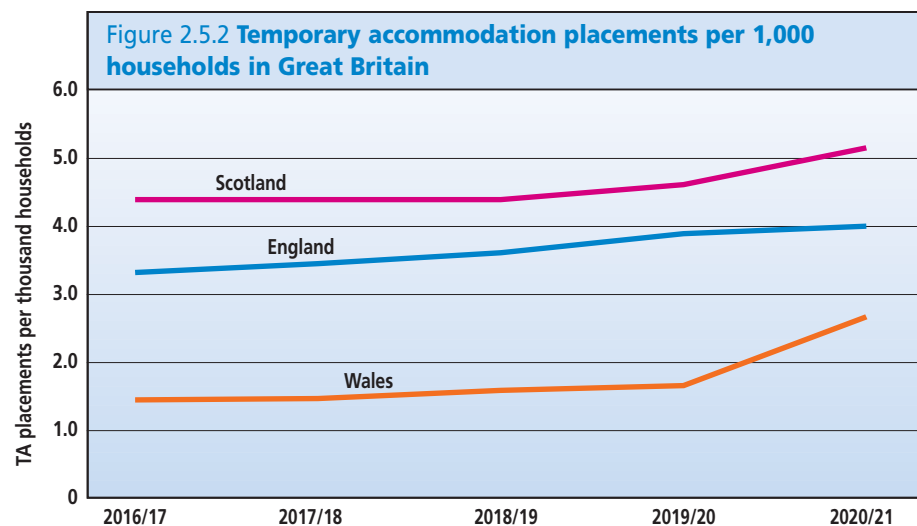
In England between 2020/21 and 2021/22, the total eligible applications under this measure increased by two per cent to 290,000 (see Figure 2.5.1). Over the same period, applicants 'owed a relief duty' fell by some four per cent and those owed a 'prevention duty' increased by 11 per cent. This increase represents a 'bounce back' towards the level of applicants 'threatened with homelessness' prior to the pandemic and likely reflects the 2021 wind-down of the special restrictions on evictions that were introduced in 2020.

Temporary accommodation

Temporary accommodation refers to homelessness applicants provided with some form of short-term housing during the application process, and (for the most part) households falling under full-duty acceptance who are waiting for long-term housing. Here we compare rates of homelessness acceptance across the GB countries, before considering variance in the form and quality of temporary accommodation (TA) and placements involving families with children.

Official statistics indicate that some 112,000 households across Great Britain were in TA in March 2021. Scotland's overall TA placement rate (at this date) was

Figure 2.5.2 Temporary accommodation placements per 1,000 households in Great Britain

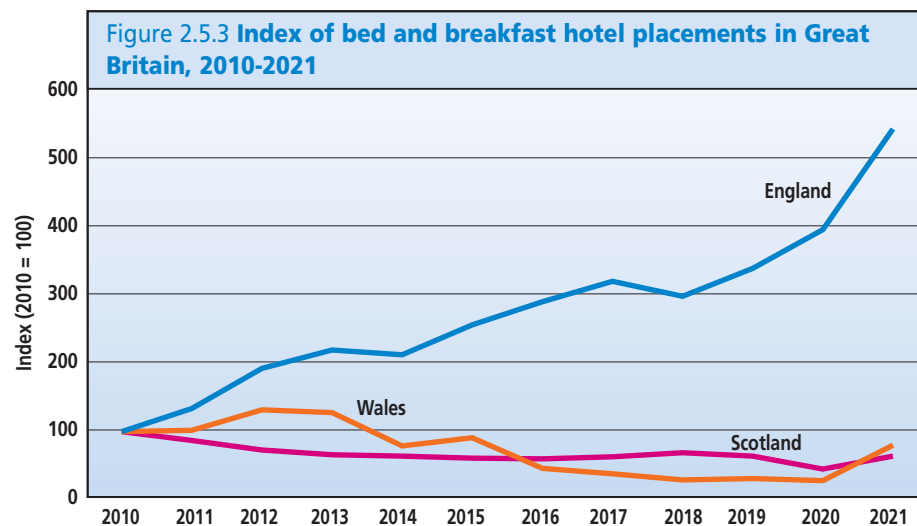


Sources: DLUHC, Scottish Government, Welsh Government, Office for National Statistics.,
 Note: TA placement rates based on point-in-time statistics for 31 March each year.

some 25 per cent above that of England and 40 per cent above that for Wales (see Figure 2.5.2). While this difference largely reflects Scotland’s more inclusive safety net, stubbornly high levels of TA use remain a concern and are a key driver of the Scottish rapid rehousing agenda and recent attention to the strengthening of homelessness prevention.

The profile and quality of TA is markedly different across the countries of Great Britain. While nearly two-thirds (62 per cent) of Scottish TA placements in 2021 involved social housing stock occupied on a temporary basis, this compared with only 23 per cent in England and 15 per cent in Wales. Scotland has also gone furthest in restricting local authorities’ use of certain forms of TA (notably bed and breakfast) following the extension of the Unsuitable Accommodation Order – previously applied only to families with children – to all household types in Autumn 2021.

Figure 2.5.3 Index of bed and breakfast hotel placements in Great Britain, 2010-2021

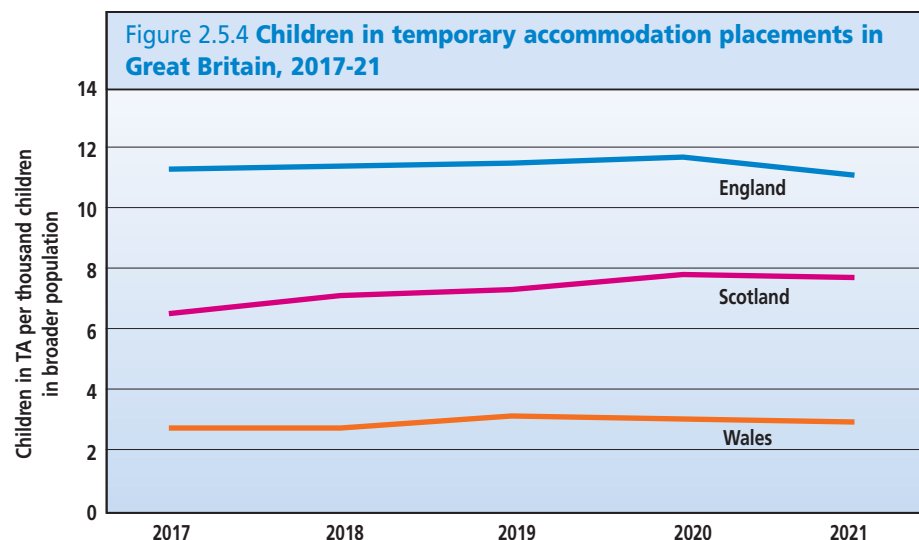


Source: Sources: DLUHC, Scottish Government, StatsWales, Crisis, The Homelessness Monitor: Great Britain 2022.

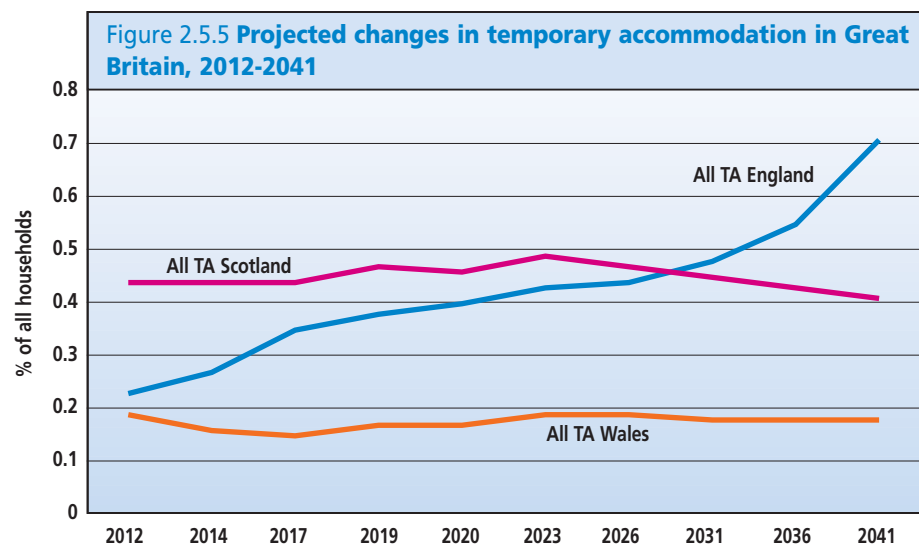
In contrast, TA placements in bed and breakfast (B&B) have soared in England, increasing four-fold over the past decade (see Figure 2.5.3). Although B&B hotels and hostels are mainly used for childless households, those in B&B on 31 March 2022 included 4,500 families with children.

In another concerning trend, levels of TA placements involving families with children are running at around 50 per cent higher in England than the equivalent figure for Scotland, while Wales has the lowest rate of all GB countries (see Figure 2.5.4). In March 2022, the most common length of stay for such households in England was more than two years, with a fifth having been in TA for more than five years.⁸

Modelling by Heriot-Watt University for the Crisis Homelessness Monitor indicates that, without effective policy changes, TA placements are set to almost double (as a percentage of all households) over the next 20 years in England (see Figure 2.5.5), caused in large part by reduced social housing availability and a growing gap between local housing allowance rates and actual market rents. This gap limits the extent to which prevention activities can avert homelessness, thus boosting the need for temporary accommodation.



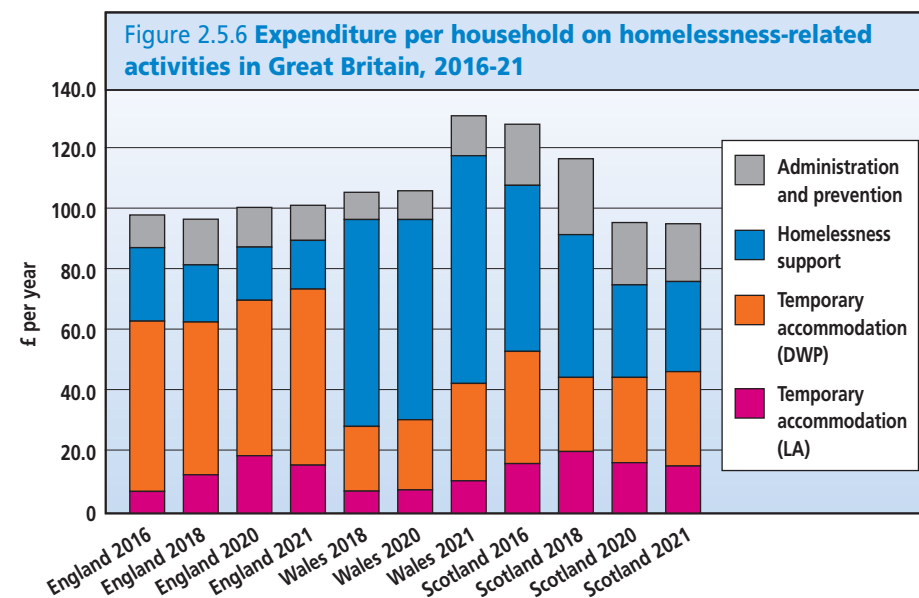
Sources: DLUHC, Scottish Government, Welsh Government, ONS mid-year population estimates.
Note: TA placement rates based on point-in-time statistics for 31 March each year.



Source: Crisis, The Homelessness Monitor: Great Britain 2022, figure 4.16.

Recent research by The Smith Institute examining temporary accommodation use in Greater Manchester and London (the latter accounting for over 60 per cent of all TA placements in England), concludes that the TA market is at crisis point, with many local authorities struggling to cope with demand.⁹ A recent survey by the District Council Network found that 79 per cent of local authority respondents do not have sufficient temporary accommodation to meet current demand.¹⁰

Figure 2.5.6 shows that these trends are reflected in mounting TA costs in England, while parallel expenditure on support, administration and prevention has been squeezed down. TA-related expenditure is of two kinds: local authority spending and costs met by the DWP via housing benefit. In England, the second exceeds the first. These high levels of spending on TA fly in the face of the early intervention aims and philosophy of the Homelessness Reduction Act and – unless arrested – will continue to ratchet up the pressure on English local authority homelessness budgets, skewing expenditure even further away from pro-active support for homelessness prevention. This is the opposite of what was intended.



Sources: Local government financial statistics, DWP Freedom of Information Requests.

Core Homelessness

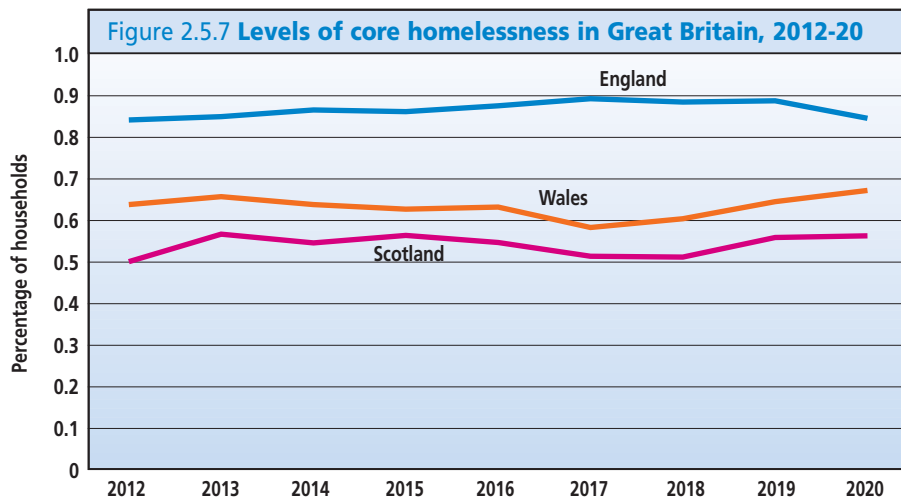
In research undertaken for Crisis, Heriot-Watt University has developed the concept of ‘core homelessness’, focused on those experiencing the most acute forms of homelessness.¹¹ This includes people sleeping rough, but also those staying in places not intended as residential accommodation (e.g. cars, tents, boats, sheds, etc.), living in homeless hostels, refuges and shelters, placed in unsuitable temporary accommodation (e.g. B&B hotels, out-of-area placements, etc.), and sofa surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions). Based on a triangulation of multiple survey and administrative data sources, measures of core homelessness are less dependent on policy and legal arrangements than official homeless statistics. This means they provide an especially valuable and robust vehicle for comparing trends over time within and between GB countries.

Heriot-Watt’s most recent analysis for the Homelessness Monitor provides a different picture to that provided by official homelessness statistics (see Figure 2.5.7). It indicates that levels of core homelessness are consistently higher in England (0.84 per cent of households in 2020) than Wales (0.67 per cent) and

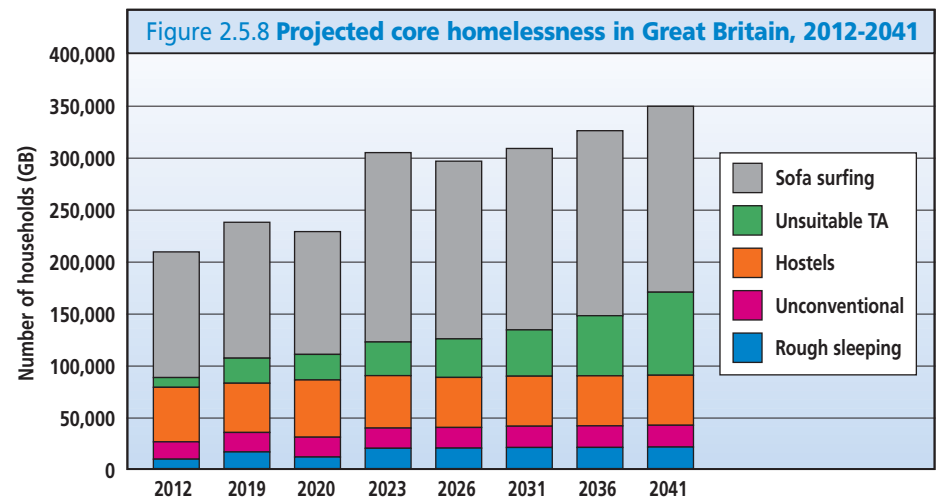
Scotland (0.57 per cent), with all broad English regions exceeding the levels in Scotland and Wales, albeit to varying degrees.

These differences in levels of core homelessness have persisted over the last decade and were still present in 2020 despite the relatively larger impact of pandemic-response measures in England. The explanation is likely to lie in the different housing market pressures in the three countries (highest in England), the incidence of poverty and other forms of deprivation (relatively high in Wales) and differences in social housing supply (larger in Scotland) and in homelessness policies (more inclusive in Scotland).

An integral part of the research is a forecasting model to examine future scenarios for the evolution of core homelessness. Following slight reductions in 2020 – largely the result of pandemic-related measures – GB-wide core homelessness is forecast to rise again if we ‘carry on as we are’ without any policy or legislative change. Under this scenario, in 2023/4 core homelessness would be one-third higher than in 2019 (see Figure 2.5.8). Under the same scenario, the disparity between GB countries is also set to deepen, with core homelessness rising to



Source: Crisis, The Homelessness Monitor: Great Britain 2022, figure 5.2.



Source: Crisis, The Homelessness Monitor: Great Britain 2022, figure 5.3.

1.19 per cent of households in England by 2040, while Scotland and Wales in contrast show a gentle but steady downward trend post-2023.

Statistical modelling indicates that there is nothing inevitable about these increasing levels of core homelessness in England, and that policy choices could engender different outcomes. The modelling has considered the potential impact of nine different policy options, with the most effective interventions for reducing core homelessness being:

- Introducing rehousing quotas for core homeless groups in the social rented sector.
- Raise local housing allowance to level of median rent, and index to rents.
- Universal credit measures aimed at reducing destitution (including reinstating the £20 per week enhancement to personal allowance applied during the pandemic).
- Widening the availability of Housing First and associated support measures.
- Maximising the use of prevention tools by local authorities.

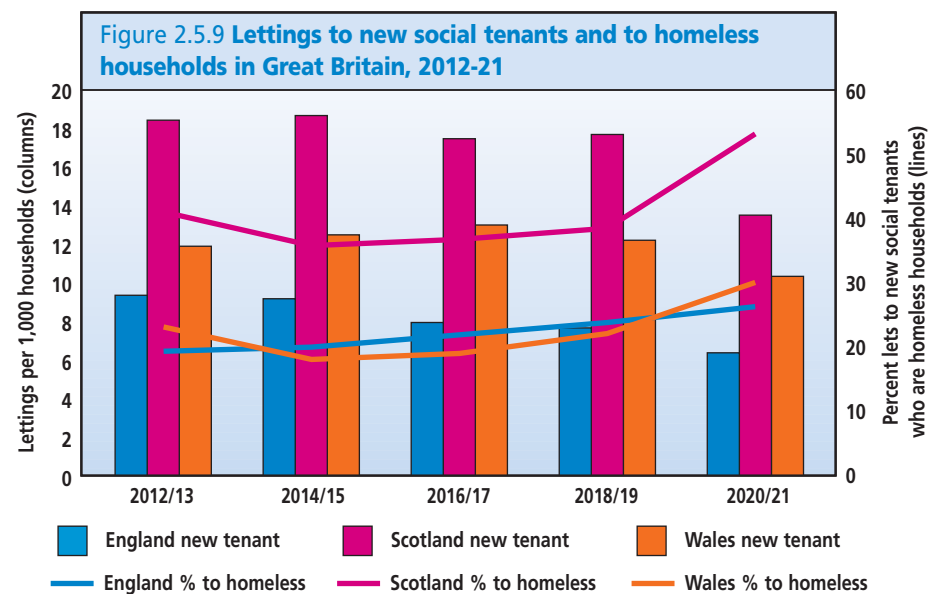
Looking at single policy options enables comparison of their individual effectiveness, and thus provides a reasonable guide to what works, but importantly the study also explores the effect of adding a particular policy to others, which gives a clearer sense of likely outcomes where interventions are combined. Under this scenario, the nine policy interventions in concert could reduce total core homelessness by 34 per cent in England, 30 per cent in Wales, and 42 per cent in Scotland, by 2041. They could also reduce rough sleeping and unsuitable temporary accommodation by around half to two-thirds over four years, with the latter eliminated entirely in Scotland.

Lettings to homeless households

It is useful to look more closely at the proportion of new social lettings granted to homeless households, which in statistical modelling emerges as a particularly effective measure to reduce core homelessness across Great Britain. With the exception of 2020/21, when the pandemic led to a sharp reduction in turnover throughout GB, Scotland allocated over 41,000 homes to new social tenants between 2012/13 and 2021/22. As figure 2.5.9 shows, this was equivalent to 17 lets for every 1,000 households, which was substantially higher than the comparable rate for either Wales (10 per 1,000) or England (7 per 1,000). This reflects the fact that the social rented sector in Scotland is substantially larger relative to population size,

buoyed in recent years by higher rates of affordable housing supply and the abolition of right to buy.

Figure 2.5.9 also shows that social landlords in Scotland allocate a much higher proportion of available lettings to households accepted as homeless, than elsewhere in Great Britain. This reflects the more progressive homeless policy in Scotland, including the adoption of targets for the share of lettings allocated to homeless households as part of the rapid rehousing policy. This has seen the proportion of lettings to new social tenants used to resolve homeless increase from 39 per cent in 2018/19 to 50 per cent in 2021/22. Elsewhere in Great Britain, the proportion of lettings to homeless households has been on a slow upward trend in recent years but this has been driven more by the diminishing annual flow of social lettings than by any increase in the actual volume of lettings to homeless households. However, there are also concerns that the data for England and Wales do not fully reflect households that are allocated a social tenancy as part of a local authority's duty to prevent homelessness.



Sources: Compendium Tables 95, 100; ONS and NRS data household estimates and projections.

Homelessness in Northern Ireland

Homelessness in Northern Ireland continues on a higher path relative to the rest of the UK (see Figure 2.5.1 in the 2022 edition of the *Review*). The latest snapshot figures are for January-June 2022.¹² They show:

- An increase of homelessness presentations of 9.6 per cent on the previous six months, although a fall of 5.84 per cent compared with the equivalent period in 2021. Homeless acceptances increased by 20 per cent over the previous six months.
- A sharp rise in numbers presenting as homeless due to the loss of private rented accommodation, particularly because of a rise in the number of landlords selling their properties.
- Numbers in TA continuing to rise, with 3,658 households in TA in July 2022 compared to 2,065 in January 2019.
- 3,913 children were in temporary accommodation in July 2022, a 60 per cent increase compared to January 2019.

Although the caveats about comparisons with the rest of the UK still apply, the homelessness system in Northern Ireland is under considerable pressure, not least because it is a route to rehousing in the social sector. However, in the absence of the Northern Ireland Executive, there continue to be severe limitations on the development of policies to tackle homelessness.

Conclusion

Spiralling energy, food, and other prices have created a cost-of-living crisis in the UK, greater than any seen for many decades. Given the strong links between poverty and homelessness, this augurs badly for the future trends considered in this chapter. Such concerns have been echoed across the sector, reflected in the Kerslake Commission on Homelessness and Rough Sleeping and the All-Party Parliamentary Group for Ending Homelessness both warning that in the absence of considered policy intervention, the cost-of-living crisis may have a catastrophic impact on homelessness. Yet the projections and alternative measures discussed here show that there is nothing inevitable about the deteriorating picture of homelessness in England, or indeed across the UK. In other words, the tools for reducing homelessness and achieving official targets are well-proven, but need to be put into practice. Even in the context of a severe cost-of-living crisis, more ambitious policy choices could still produce radically different outcomes.

Source material

Some material in this chapter is taken from the 2022 edition of the *Homelessness Monitor: Great Britain 2022*; the 2021 and 2022 editions of the *Homelessness Monitor: England*; and, the 2021 editions of the *Homelessness Monitor: Scotland* and *Homelessness Monitor: Wales*. All are published by Crisis (for editions covering all UK countries, see www.crisis.org.uk/pages/homelessnessmonitor.html).

Many thanks to Dr Beth Watts, Professor Suzanne Fitzpatrick, Gillian Young, Professor Glen Bramley, and Professor Hal Pawson for allowing me to draw on their work in the preparation of this chapter.

Notes and references

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