

HOUSING FIRST

Housing-led solutions to
rough sleeping and homelessness

March 2017



Housing First
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About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustices every possible opportunity to reach their full potential.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our ground breaking 2007 report, *Breakthrough Britain*. These are: family breakdown; educational failure; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt. It is only by tackling these issues and reversing them that poverty can be tackled.

In March 2013, the CSJ report *It Happens Here*, shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act (2015), one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

The CSJ delivers empirical, practical, fully-funded policy solutions to address the scale of the social justice problems facing the UK. Our research is informed by expert working groups comprising prominent academics, practitioners, and policy-makers. Further, the CSJ Alliance is a unique group of charities, social enterprises, and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The 11 years since the CSJ was founded has brought with it much success. But the social justice challenges facing Britain remain serious. Our response, therefore, must be equally serious. In 2017 and beyond, we will continue to advance the cause of social justice in this nation.

Chief Executive's preface

For the past decade, the CSJ has sought to tackle the root causes of poverty in England: worklessness; educational failure; family breakdown; addiction; and severe personal debt. Through our alliance of poverty fighting charities, we have seen how these factors interact to entrench disadvantage and too often lead to people losing their homes. Homelessness is a devastating experience that no one should ever have to go through. The average age of death for a homeless person is only 47 years old.

Home is the secure base for the whole of life. Without this people are unable to lead settled lives, maintain employment or provide an environment that will help their children escape poverty. Prolonged periods of homelessness can develop or exacerbate existing vulnerabilities, such as substance misuse and mental health conditions, which destabilise family and support networks.

The Government has shown a clear commitment to preventing and tackling the rising levels of homelessness. Additional funding has been provided to local authorities to simulate innovative measures to address this problem, and the Government has given its backing to new homelessness legislation, which would see a radical transformation in the way that homelessness is dealt with. We warmly welcome this move forward.

This report provides the Government with a detailed plan of how to build on this. First and foremost, this report sets out how this Government could end rough sleeping and chronic homelessness. We are calling on Government to formally endorse Housing First as the main new area for additional investment especially for people with multiple and complex needs, and to set up a national Housing First programme, backed by a new fund of at least £110 million per year. There is overwhelming evidence to support the use of Housing First, which provides stable, independent homes alongside coordinated, wrap-around, personalised support to homeless people, as a housing solution. Evidence also shows that over the course of a Parliament the implementation of Housing First would be cost neutral. This is a smart upfront investment that will save the Government money and, more importantly, save lives.

For too long, people have been forced to crisis point before they receive homelessness assistance. That is why, alongside this key recommendation to end rough sleeping and chronic homelessness, the report outlines the opportunities and interventions to prevent homelessness at the earliest point. Furthermore, this report proposes policies to ensure that those who are homeless can more easily access affordable housing.

Andy Cook
CEO

Working Group Chairman's foreword

Homelessness remains a blight on our society. Although there has been a significant jump in the numbers since 2010, and in particular rough sleeping (4,134 per night at last count), the number of people experiencing chronic homelessness is still relatively small.

Over the years, I have spent time as a volunteer in the homelessness sector, initially in Braintree, where I was an MP for ten years, supporting organisations including Braintree Foyer and New Directions and more recently at Crisis at Christmas and a soup kitchen in central London. It is this experience that has inspired me to initiate this project.

Many of the rough sleepers I have met have complex needs. On the streets, these problems only get worse. Most people I have met want a home. Finding somewhere to live is the first step on their road to recovery. Yet we have not tackled this problem effectively enough. The problem is not unsurmountable. It is just a question of political will.

The Government is beginning to confront this issue in earnest. One of Theresa May's first initiatives, when she became Prime Minister, was to announce a £40 million programme to tackle homelessness. Furthermore, the Government has given its support for Bob Blackman MP's Homelessness Reduction Bill, which would mark the most radical transformation of the homelessness legislation in 40 years.

The expansion of the Housing First model is a key recommendation of this report. In Finland, we saw how this has all but eradicated rough sleeping. The Housing First model provides individuals with a stable independent home, combined with the personalised support they need to gain access to mental health services, drug and alcohol support, in addition to training for employment when and if they are ready.

The Prime Minister has said that she wants social justice to be a cornerstone of her premiership. One way she can achieve this is by ending the blight of rough sleeping and effectively tackling homelessness once and for all.

I would like to thank my co-sponsors for this report, Crisis, Lankelly Chase Foundation, Richard Benyon MP and Lucien Farrell. In particular, I want to thank the working group members, who have given huge insight and a wealth of experience to the production of this report. Finally, I would like to thank Hannah Gousy, who has drawn together a huge amount of material into the cogent and coherent report we have before us.

Brooks Newmark

Working Group Chairman

Members of the Working Group



Brooks Newmark
Chair of the CSJ Working Group on Homelessness

Brooks Newmark is a Research Associate in the Department of Politics & International Relations at St Anthony's College, Oxford University. He is currently working on a paper on the International Commission on Missing Persons. In addition, Brooks has lectured and written on a wide range of subjects including the civil war in Syria, Brexit, U.S. politics, private equity and homelessness. He is also a Director at the Catholic Herald and Chairman of Braintree District Community Foundation.

Brooks served as Minister for Civil Society and a Government Whip in the Coalition Government and sat on the Treasury Select Committee. Brooks was the MP for Braintree between 2005 to 2015. Brooks founded the education charity A Partner In Education, which has built a primary school in Rwanda. Before entering politics, Brooks was a Senior Partner at the international private equity firm Apollo Management LP and served as a Director on the Harvard Alumni Board and the Advisory Board of London Business School's Private Equity Institute. Brooks was educated at Harvard University both at the College and Harvard Business School.



Hannah Gousy
Author and Researcher

Hannah Gousy is a Researcher at the CSJ focusing on homelessness. Hannah is on secondment from Crisis, where she works in the policy and campaigns team. She has recently authored reports on how to change the law to better prevent and tackle homelessness and improving access into the private rented sector for homeless people. Prior to working at Crisis, Hannah worked in the policy team at Shelter where her work focused on improving conditions, affordability and stability in the private rented sector. She has also worked in the policy and campaigns team at Mind, the mental health charity.



Matt Downie
Director of Policy and External Affairs, Crisis

Matt Downie is Director of Policy and External Affairs for Crisis, where he is responsible for UK wide political, communications and research strategy. Matt began his career at Shelter and went on to lead award winning policy and campaign teams at Action for Children and the National Autistic Society. Political successes include the Autism Act (2009), stopping the extradition of Gary McKinnon to the U.S. on charges of computer hacking, establishing a multi-million pound Government savings scheme for children in care, and successfully campaigning to introduce a new criminal offence of psychological child abuse. Matt is Vice-Chair of the Sheila McKechnie Foundation and is a governor at a school for disabled children in north London.



Alice Evans
Director of Systems Change Lankelly Chase Foundation

Alice Evans is the Director of Systems Change at Lankelly Chase Foundation. She has a history of working in homelessness and joined the organisation to work on whole systems change that starts with the needs of the individual and their family. Lankelly Chase seeks to bring about change that will transform the quality of life of people who face severe and multiple disadvantage.



Professor Suzanne Fitzpatrick
Director of the Institute of Social Policy, Housing and Equalities Research (I-SPHERE), Heriot-Watt University

Suzanne Fitzpatrick is Director of the Institute of Social Policy, Housing and Equalities Research (I-SPHERE) at Heriot-Watt University, Edinburgh. Suzanne completed her PhD on youth homelessness at the University of Glasgow in 1998 and subsequently held a number of posts in the Department of Urban Studies at the University of Glasgow, including ESRC Research Fellow in Housing and Social Exclusion and, latterly, Lecturer in Housing and Social Policy. From 2003 to 2010 Suzanne was Joseph Rowntree Professor of Housing Policy and Director of the Centre for Housing Policy at the University of York. Suzanne took up her current Research Professorship in Housing and Social Policy at Heriot-Watt University in July 2010. Suzanne specialises in research on homelessness and housing exclusion, and much of her work has an international comparative dimension. She is lead author on the Crisis and Joseph Rowntree Foundation Homelessness Monitor series.



Martin Houghton-Brown
Chief Executive, DePaul UK

Martin Houghton-Brown is Chief Executive of Depaul UK, which is part of Depaul International, a worldwide family of charities that works with people who are homeless. Depaul works to support people who are homeless and marginalised around the world; in the UK, France, Ireland, Slovakia, Ukraine, Croatia and the U.S. Depaul in the UK, alongside its programmes of supported accommodation, family, prisons and education work, leads the international Nightstop.

Previously Martin was Chief Executive of Missing People, a charity that provides support for missing and runaway children and vulnerable adults and their families. Prior to that, he was Deputy Director at The Children's Society, where he authored the ground-breaking report 'Stepping Up', which generated the UK Government's Young Runaways Action Plan. He became Trustee of YMCA England in 2011 and a YMCA Europe Executive member in 2016. He is now Chair of the National Council of YMCAs for England and Wales. He has also been a school governor and is a Fellow of the RSA.



Christina Marriott
Chief Executive, Revolving Doors Agency

Christina Marriott's unusual breadth of experience includes senior roles in academia, the public, private and third sectors. Following an early career in advertising, she spent 15 years as the Managing Director of the marketing consultancy she founded. She moved into academia as a Research Fellow in Human Rights at UCLan and led a national census of mental health and learning disability patients. She spent five years in the NHS leading an award-winning change management programme and then as National Lead for Health Inequalities. Moving to the third sector, she was Head of Policy at Nacro before becoming Chief Executive at Revolving Doors Agency. She has extensive policy experience including membership of Ministerial Advisory Groups and NICE and Department of Health expert reference groups.



Dr. Peter Mackie
Senior Lecturer School of Geography and Planning,
Cardiff University

Peter Mackie is a Senior Lecturer in Housing at Cardiff University. Peter began his housing research career with Shelter Cymru, where he helped to establish and develop the organisation's important research function. Since joining Cardiff University in 2009, Peter has continued to work closely with third sector organisations, local and

national governments, as well as the European umbrella organisation for homelessness organisations (FEANTSA). Peter's research has examined the housing and homelessness experiences of particularly vulnerable and marginalised groups, including young people, disabled people and prison leavers. He has also examined housing and homelessness inequalities faced under devolution in the UK. However, Peter is best known for leading the review of Welsh homelessness legislation, which resulted in the introduction of pioneering new laws relating to the prevention and relief of homelessness in the Housing (Wales) Act 2014. Peter is a FEANTSA research advisor for the UK and convenor of the Wales Housing Research Network.



Jacqui McCluskey
Director of Policy and Communications, Homeless Link

Jacqui McCluskey joined Homeless Link in September 2009 and is responsible for the policy, campaigning and communications functions, and also line manages the Project Director for the MEAM (Making Every Adult Matter) Coalition. Prior to this, she worked in children's policy and research, from 2006 to 2009 as Associate Director (Policy & Research) at the Children's Commissioner for England and from 1996 to 2006 as Senior Public Policy Officer at Action for Children. Her previous roles have included: Research Fellow at Stirling University on the first Scottish study on ethnic minority housing problems; a Community Worker in Glasgow; a Resettlement Worker at a homelessness day centre at Waterloo; a Research Manager for the homeless campaigning organisation CHAR; and Manager of a leaving care project for Coram. Jacqui is a qualified social worker but with the majority of her working life in the voluntary and charity sector, apart from a spot of social working in Sydney, Australia.



Dominic Williamson
Executive Director of Strategy and Policy, St Mungo's

Dominic Williamson returned to St Mungo's as Executive Director of Strategy and Policy in January 2015. His role has senior responsibility for strategic planning, policy and campaigns, research, client information systems, client involvement, quality, diversity and governance.

Before joining St Mungo's Dominic was Chief Executive at Revolving Doors Agency, a charity working to change systems and improve services for people with multiple and complex needs who are in contact with the criminal justice system. He has 25 years' experience across a range of frontline and policy positions in the homelessness sector including roles with Homeless Link, Providence Row Housing Association (PRHA), Shelter and St Mungo's.



Mike Wright
Strategic Lead on Homelessness
Greater Manchester Combined Authority

Mike Wright is currently seconded to the Greater Manchester Combined Authority as the Strategic Lead on Homelessness. Mike is substantively the Director of Housing Choice for Salix Homes, a registered housing provider in Salford. At Salix, Mike is responsible for delivering Housing Options, allocations, tenancy support and rough sleeping services for both Salford and Trafford councils. With 25 years of experience in homelessness, supported housing and vulnerable people's issues, Mike has developed and managed services for three local authorities which have achieved Regional Champion, Trailblazer and Gold Standard status. As Chair of the Greater Manchester Housing Needs Group and the North West Regional Strategic Migration Partnership, Mike has developed the sub-region's response to homelessness and the dispersal of asylum seekers. Mike maintains an interest in social policy and in developing innovative solutions to improve the life chances of vulnerable people.

Disclaimer

Participation in the working group does not indicate that each participant agrees with all recommendations in the final report.

Special thanks

The CSJ would like to thank all the individuals and organisations who have kindly given their time to contribute to this research. Particular thanks go to the working group for their expertise and Brooks Newmark, Crisis, Lankelly Chase Foundation, Lucien Farrell and Richard Benyon MP for their generous support of this research.



Crisis is the national charity for homeless people. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.

Lankelly Chase

Lankelly Chase seeks to bring about change that will transform the quality of life of people who face severe and multiple disadvantage.

“A place to call home is simply the difference between a chance to turn your life round or not.”

NACRO service user

Wayne's story

Wayne is 54 years old. He left the army with post-traumatic stress disorder (PTSD) aged 22. He ended up street homeless and started to drink heavily to self-medicate for his mental health issues, and ended up addicted to crack and heroin.

To fund his habit, he started prolifically shop lifting. When Fulfilling Lives Islington and Camden met him two years ago, he had been street homeless for 30 years and had served around 50 custodial sentences. Outreach teams had approached him over the years but they could only offer him accommodation in a homeless hostel.

Due to his PTSD Wayne found this environment, being in close proximity to lots of other people with similar issues, very traumatic. He found it safer to sleep on the street. Over the years, he became very distrustful and resentful towards services and stopped engaging as he felt no one could help him.

Fulfilling Lives Islington and Camden Housing First project provided Wayne with self-contained accommodation in a private rented sector studio flat. He has now sustained this tenancy for 20 months. At the age of 54, it is the first home he has ever had in his life. He has not had a single custodial sentence in this time.

This is the first time he has spent a year out of prison in 30 years. He is still drinking but has totally stopped using Class A drugs and no longer shoplifts to fund this habit. Last year he voted for the first time in the EU referendum. He is addressing underlying health conditions that he has never got treatment for before. He has recently got a cat as he loves animals. He says he feels part of society for the first time ever.

Executive summary

Homelessness is a devastating experience. It can trigger and exacerbate problems, from substance misuse to mental health conditions, and destabilise families and support networks. And the effects can last a lifetime; children who experience homelessness are much more likely to experience homelessness as adults.¹ This cycle must be broken.

But over the last six years, the number of people experiencing homelessness in England has risen significantly. The number of households approaching their council for homelessness assistance has grown considerably. And at the sharpest end rough sleeping has increased by over 130% since 2010 to over 4,000 on any given night.² Throughout the course of a year, CSJ analysis has found that around 34,500 people might sleep rough in England.³ As well as the significant personal harm caused to individuals, the Government has estimated that the cost to the state is up to £1bn every year.⁴

Both statutory and non-statutory responses to homelessness are too often predicated on crisis, with less focus on prevention interventions. For many people with complex needs they often fail to qualify for statutory assistance, but are turned away from hostel accommodation because their needs are too high. Falling between the gaps of statutory and non-statutory provision they can find themselves with nowhere else to turn. Furthermore, a lack of access to affordable housing is both a key driver of homelessness and undermines efforts to ensure that when people find themselves in this situation they are quickly able to secure stable housing and get back on their feet.

Opportunity for change

While the rising number of people experiencing homelessness, especially rough sleeping, is of significant concern, and has provided an impetus for this report, it is still well within our capability to resolve this issue. The Government has already made a strong commitment to do this, which is warmly welcomed by the CSJ. This report provides a detailed plan on how this ambition can be achieved.

1 Mackie P with Thomas I, *Nations Apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014; Shelter, *Young people and homelessness (factsheet)*, London: Shelter, 2005.

2 Department for Communities and Local Government (DCLG), *Rough Sleeping Statistics Autumn 2016, England*, London: DCLG, 2017.

3 Further detail on these calculations are set out in Chapter Two, page 47.

4 DCLG, *Evidence review of the costs of homelessness*, London: DCLG, 2012.

With strong political will and robust evaluation of the services we deliver, there is great potential to ensure that local authorities and government departments work in a smarter, more efficient way to end homelessness. This report will emphasise the need to move towards a housing led approach to ending homelessness, with a specific focus on scaling up Housing First provision for people with multiple and complex needs. The Government has a significant and realisable opportunity to end homelessness for this group. The move towards Housing First sits alongside broader recommendations in this report looking at preventing homelessness from occurring in the first place and addressing broader structural issues relating to affordable housing.

Key recommendations

1 Problem: Rough sleepers and people experiencing chronic homelessness often fall through the cracks of services.

People who experience chronic homelessness will often not qualify as vulnerable enough for an offer of settled accommodation under the homelessness legislation, despite having high support needs such as mental health problems and addiction issues. Furthermore, a significant number of hostel providers report refusing people access to accommodation because their needs are too high.⁵ Many of these people, slipping through the gap between statutory and non-statutory provision, are forced to sleep rough. The Department for Communities and Local Government (DCLG) counted over 4000 rough sleepers on a single night last year.⁶ Although the London CHAIN rough sleeper database recorded much higher numbers in the capital throughout the course of the year (8,096). For those who do gain access to temporary hostel accommodation, they are often required to address issues such as substance misuse in a relatively chaotic and unstable environment before they can access permanent housing.

Recommendation: The Government should create a new funding pot of at least £110 million per year to deliver a National Housing First Programme to end rough sleeping and chronic homelessness for people with the most complex needs. This programme will be cost neutral over the course of a parliament.

There is overwhelming international evidence to support the use of Housing First as a housing solution for people who have multiple and complex needs. Housing First provides stable, independent homes alongside coordinated wrap-around, personalised support to homeless people. Widely adopted across North America and Western Europe, Housing First has formed a central component of successful, national homelessness strategies. Reduced national spending, high tenancy sustainment rates and improved health and wellbeing outcomes provide a compelling argument for scaling up this approach in England.

5 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

6 DCLG, *Rough sleeping statistics Autumn 2016, England*, London: DCLG, 2017.

2 Problem: A lack of effective prevention work.

Both statutory and non-statutory responses to homelessness are too often predicated on crisis and geared towards providing an emergency response. The homelessness legislation provides an all or nothing system of assistance, with certain groups receiving an offer of permanent accommodation when they lose their home, but very little provision for preventative interventions for most single people. As a result, important opportunities are missed to help prevent homelessness and avoid much costlier emergency responses.

Recommendation: The Government should amend the homelessness legislation to place a greater focus on prevention work.

The homelessness legislation in England should be amended to create new prevention and relief duties (following the new Welsh model). Unlike the current statutory assistance, these new duties would expand entitlements to a greater number of people. Moreover, the period that someone would be considered to be threatened with homelessness should be extended from 28 to 56 days. Based on the Welsh experience, this would help reduce the numbers of people for whom local authorities are required to make an offer of permanent accommodation and house in expensive temporary accommodation.

Recommendation: The Government should set up a Prime Ministerial Taskforce to embed housing and homelessness strategies across government departments to better prevent and end homelessness.

Preventing homelessness requires a cross-government approach. Homelessness policy sits within DCLG, but is heavily influenced by a number of other departments (including, for example, the Treasury, Department for Work and Pensions, the Department of Health, the Ministry of Justice and the Department for Education) which are often much more likely to be in contact with someone when they are at risk of, but have not yet become homeless. The Taskforce should have the very clear objective of developing and embedding housing and homelessness prevention strategies across these departments. A Prime Ministerial Taskforce would provide the level of authority and accountability required to be effective. This report outlines specific interventions that various departments should take to prevent homelessness for groups of people at risk of homelessness, including care leavers and prison leavers.

Recommendation: DCLG should support and help facilitate the expansion of a CHAIN style database to other parts of England.

This should focus particularly on cities with growing numbers of rough sleepers where street outreach teams operate.

3 Problem: A lack of access to affordable housing undermines efforts to tackle homelessness.

While the private rented sector is now playing a much more significant role in housing for those on the lowest incomes, the loss of a private rented home is the leading cause of homelessness.⁷ Private landlords are becoming increasingly more reluctant to let to tenants in receipt of Housing Benefit and those who have experienced homelessness, therefore limiting access to affordable housing. Furthermore, social landlords are imposing stricter affordability criteria on tenants, which often serves as a barrier to those on the lowest incomes.

Recommendation: The Government should boost investment in low cost rental accommodation.

This would help provide affordable housing for households on very low incomes, reducing their risk of homelessness and ensuring that when episodes of homelessness do occur, they are brief and non-recurrent.

Recommendation: While the CSJ strongly supports the Government's welfare reform agenda, there are adjustments that could be made to help improve and increase the supply of housing for people who are homeless.

This report sets out how a further set of exemptions from the Shared Accommodation Rate, a more personalised response to benefit conditionality for people who are homeless or are at risk of homelessness, and better access to Alternative Payment Arrangements for people moving onto Universal Credit could help prevent people from losing accommodation. These measures would encourage landlords to let to tenants in receipt of Housing Benefit or Universal Credit, further boosting affordable housing supply for people who have experienced homelessness.

Recommendation: The Government should support social lettings agencies to improve access into the private rented sector and ensure that people can be rapidly rehoused if they face homelessness.

Social lettings agencies should support people who are homeless or threatened with homelessness to create and sustain tenancies in the private rented sector. These letting agencies have shown clear value for money, helping people rapidly exit homelessness and achieving high tenancy sustainment levels.

⁷ DCLG, *Live tables on homelessness*, Table 774.

chapter one

State of the nation: social justice and homelessness in England today

1.1 Homelessness in 2017 is rising

At the sharpest end, homelessness can mean that someone is forced to sleep rough.⁸ Rough sleepers make up a relatively small proportion of the overall number of people who are homeless. For many people who lose their home, they will not end up in this position. Certain groups, including families with dependent children, receive statutory assistance from their local authority to find settled accommodation. A greater proportion of people who seek help from their local authority will receive more informal help. Many single people who do not qualify for an offer of settled accommodation will reside in hostels, which are typically shared and temporary. In addition to those who lose their home, there are a significant number of people living in poor, overcrowded and unstable (e.g. sofa surfing) conditions. This is often referred to as hidden homelessness. This chapter will examine these various forms of homelessness, but it is important to note that people do not simply fall into distinct groups as outlined below. Homelessness should be viewed on a continuum. Someone might for example experience several episodes of hidden homelessness or a stay in a hostel before they sleep rough, or move between sleeping rough and staying with friends and acquaintances. Moreover, children living in temporary accommodation are much more likely to sleep rough at some stage in their life.⁹

Rough sleeping

Since 2010 there has been a significant increase in the number of people recorded as sleeping rough, rising from 1,768 to 4,134 in 2016, an increase of over 130%.¹⁰

In London during the same period, the figure rose from 415 to 964, an increase of 132%. Outside the capital, while numbers per local authority tend to be lower, there are cities

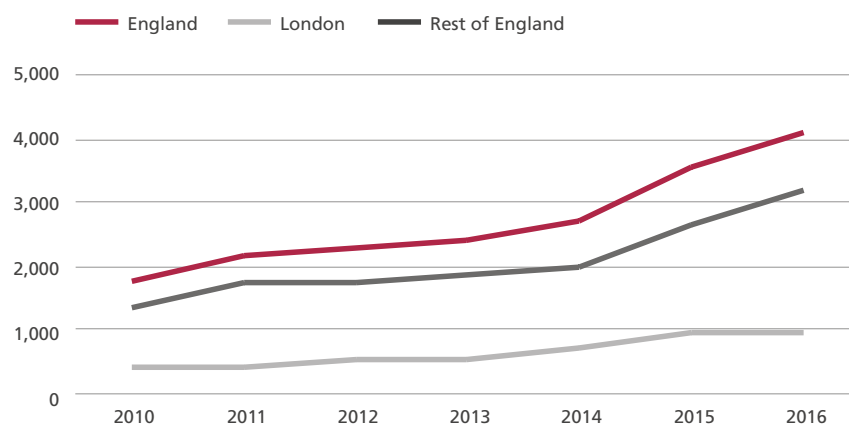
⁸ NB This report will only examine homelessness in England because this area of legislation is devolved.

⁹ Mackie P et al., *Nations Apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

¹⁰ DCLG, *Rough sleeping statistics Autumn 2016, England*, London: DCLG, 2017. NB. Last year every local authority in England provided a figure.

which have experienced a far higher proportional increase including Bristol, Brighton and Hove, Manchester and Canterbury.¹¹ Latest figures show that rough sleeping increased by a larger proportion (21%) in the rest of England compared to London (3%).¹² The rough sleeping statistics are published annually by DCLG and are based on the counts and estimates on a single night of the people sleeping rough in local authority areas. Given the nature of the methodology, these statistics do not capture the true scale of the problem, but are useful in terms of providing a snap-shot and indicating trends over time and across regions. It is difficult to make a comparison to figures prior to 2010 due to a change in the methodology. However, rough sleeper counts between 1998 and 2009 showed a fairly consistent reduction in the number of people recorded sleeping rough after the introduction of the Government's Homelessness Action Programme, following on from the Rough Sleepers Initiative which ran from 1990 to 1999 under both Conservative and Labour governments.¹³

Figure 1: Rising rough sleeping



Source: DCLG Rough Sleeping Statistics

The London CHAIN rough sleeper monitoring data, collected by outreach teams in London throughout the year and published by the Greater London Authority (GLA) is considered more accurate in terms of the numbers of people recorded, and provides more detailed demographic information on rough sleepers and their reasons for becoming homeless. In line with the trend highlighted by the DCLG data, the number of people sleeping rough has risen significantly since 2009/10 with over 8,000 people seen sleeping rough during the course of 2015/16 in the capital.¹⁴ Sixty-five per cent of rough sleepers were recorded as new to the streets. Twenty-three per cent had also been seen in 2014/15 and 12% returned after they had not been seen sleeping rough for a year or more.¹⁵ Throughout the course of a year, CSJ analysis has found that around 34,500 people might sleep rough in England. Further detail on these calculations are set out in Chapter Two.

11 DCLG, *Rough sleeping statistics Autumn 2016, England*; Tables 1 & 2, London: DCLG, 2017.

12 Ibid.

13 Wilson W, *House of Commons Briefing Paper, Rough Sleeping (England)*, London: House of Commons, 2017.

14 Greater London Authority (GLA), *Chain Annual Report 2015/16*, London: GLA, 2016.

15 Ibid.

Eighty-five per cent of rough sleepers were men, and 10% (830 people) of those seen sleeping rough were aged under 26. Forty-one per cent were recorded as UK nationals, a slight drop from 43% in 2014/15, while 46% of rough sleepers were from European countries. Over the next few years, leaving the European Union will potentially impact on these figures, although the effect at this stage is difficult to predict. While it is not within the scope of this paper to consider, this should be an important focus for Government when considering homelessness policy.

Statutory homelessness

Local authorities have a statutory duty to provide settled accommodation to certain groups of homeless people. This is often referred to as the main homelessness duty. To qualify, you must meet all five of the following criteria:

1. be homeless or threatened with homelessness within 28 days;¹⁶
2. be eligible for assistance (e.g. be a UK national or habitually resident);
3. be in priority need (e.g. have dependent children or demonstrate that you are significantly more vulnerable than the average person facing homelessness);
4. be unintentionally homeless; and
5. have a local connection to the local authority in which you make a homelessness application.

For those who are owed the main homelessness duty, the local authority must provide settled accommodation. Historically, this has been an offer of a tenancy in social housing. Since the introduction of the Localism Act (2011), local authorities have had the power to discharge their duty through an offer of a 12-month assured shorthold tenancy in the private rented sector. The vast majority of households, however, continue to move into social housing.¹⁷ If a local authority is unable to make an immediate offer of settled accommodation, then they must ensure that temporary accommodation is found in the meantime. In 2015/16, 63% of households were placed in temporary accommodation before being made an offer of a settled home.¹⁸ The latest data shows that there are 74,630 statutory homeless households living in temporary accommodation, waiting for an offer of permanent settled accommodation.¹⁹

The number of households owed the main homelessness duty peaked in 2003/4 at just over 135,000.²⁰ This number dropped in the latter half of the decade, but has been rising steadily again since 2009/10, with annual acceptances now at 57,730, an increase of 44%.²¹ It should be noted that the rise has not been uniform across the country. While

16 NB A person is legally defined as homeless if they have no accommodation available for their occupation. Even if you have a home, you can still be considered homeless if you live in very overcrowded or poor conditions that affect your health, if you are at risk of violence or abuse, or it is no longer reasonable for you to occupy the property (e.g. you are facing eviction).

17 DCLG, *Live tables on homelessness*, Tables 777 and 778 [Accessed via: www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness (17.01.17)].

18 DCLG, *Live tables on homelessness*, Table 777.

19 DCLG, *Live tables on homelessness*, Table 775.

20 DCLG, *Live tables on homelessness*, Table 777.

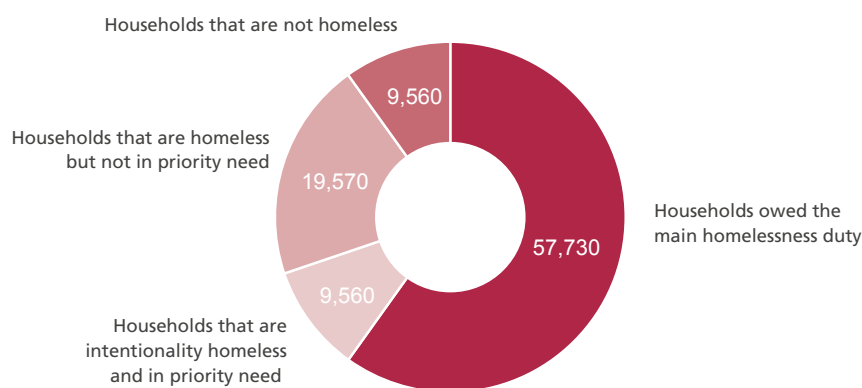
21 DCLG, *Live tables on homelessness*, Table 770.

figures in London continue to grow, areas in the North have seen a 10% reduction in the number of households owed the main homelessness duty.²²

Last year, 114,760 households made a homelessness application.²³

Of this figure, 19,570 were determined to be unintentionally homeless but not in priority need.²⁴ A further 9,560 were found to be homeless, in priority need, but intentionally homeless.²⁵ None of these households were entitled to an offer of settled accommodation under the homelessness legislation.

Figure 2: Outcomes of homelessness applications 2015/16



Source: DCLG statutory homelessness and prevention and relief live tables

The majority (68%) of households owed the main homelessness duty in 2015/16 were families with dependent children.²⁶ A further seven per cent were households containing someone who was pregnant.²⁷ Only 26% of people were owed the duty because they were considered to be more vulnerable than the average person facing homelessness. The proportion of vulnerable people owed the duty has declined over the last decade.²⁸ This might be because as local authority resources decline, they are using their discretion at homelessness application stage to find fewer single people in priority need. No such discretion exists where a household contains dependent children.

Non-statutory homelessness

Local authorities can provide help to those who do not qualify for the main homelessness duty. But the requirement on them to do so is very weak. Immediately following the introduction of the Housing Options approach in 2002, which encouraged local authorities to assess a person’s legal right to settled housing and consider other options

22 Fitzpatrick S, Pawson H, Bramley G, Wilcox S & Watts B, *The Homelessness Monitor: England 2016*, London: Crisis, 2016.

23 DCLG, *Live tables on homelessness*, Table 770.

24 Ibid.

25 Ibid.

26 DCLG, *Live tables on homelessness*, Table 773.

27 Ibid.

28 Ibid.

to prevent and relieve their homelessness, the number of people accepted as statutorily homeless started to decline.

Since 2009/10, the number of households assisted via the prevention and relief route has risen from 165,180 to 212,600.²⁹ There is no further information collected on the types of households that are helped and longer-term outcomes of this form of assistance.

People living in hostel accommodation

In England, hostels have traditionally provided a safety net or a first step away from the streets for people who do not qualify for the main homelessness duty. They vary greatly in terms of size, purpose and client group. Some hostels, for example, specialise in working with people who have multiple and complex needs, providing intensive one to one support alongside other services such as mental health treatment and support for substance misuse.

While government data on the number of people living in hostels is limited, Homeless Link's 2016 Annual Review of Support for Single People found that there are 1,185 accommodation projects for single homeless people in England, a decrease of five per cent on the previous year.³⁰ There are currently 35,727 bed spaces in homelessness accommodation projects. Given the low void rate, the number of bed spaces provides a fairly accurate estimate of the number of people currently living in hostels. In 2015, the Government estimated that there were up to 40,000 people sleeping in hostel accommodation on any given night.³¹ Last year 66% of homelessness accommodation projects reported having to refuse clients due to a lack of bed spaces, clearly demonstrating the increased demand for these services.

1.2 Drivers of homelessness

To understand the reasons behind rising homelessness, it is crucial to examine patterns of changing housing tenure, difficulties accessing affordable housing and changes to the welfare system over the last six years. There is a complex interplay between these structural factors and what are often understood to be more personal causes of homelessness such as family breakdown, drug and alcohol misuse, involvement with the criminal justice system and mental and physical health problems.

Access to affordable housing is declining

The undersupply of housing has contributed to rising house prices and private rents in some areas of the country.³² More and more people are therefore struggling to meet their housing costs, contributing to increasing levels of homelessness. Over the last six years the Government's house building strategy has focused on increasing homeownership rather than investing in low cost rental housing, which would help meet the needs of households on very low incomes and those at risk of homelessness.³³

29 DCLG, *Live tables on homelessness*, Table 787. (NB. data on the number of households assisted via Housing Options has only been collected since 2009/10).

30 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

31 DCLG, *Addressing Complex Needs- improving services for vulnerable homeless people*, London: DCLG, 2015.

32 Shelter & KPMG, *Building the homes we need, a programme for the 2015 Government*, London: Shelter, 2015.

33 Winterburn M, *Home Improvements, a social justice approach to housing policy*, London: CSJ, 2016.

Over the last six years the definition of affordable housing has changed considerably, leading to a decline in the number of genuinely affordable properties for those at risk of homelessness. Since 2011, government guidance has allowed some housing associations to charge up to 80% of market rent for homes they let under the title of 'Affordable Rent'. By comparison, social rents are usually charged at roughly 50% of market rent. Since 2010/11 the number of new social homes built or bought dropped from 39,560 to 6,550 in 2015/16.³⁴ In 2015/16 there were 16,500 new Affordable Rent homes built or bought.³⁵ The definition of affordable housing was extended further under the Housing and Planning Act (2016) to include Starter Homes (properties for first-time buyers with a discount of at least 20%).

Both Starter Homes and Shared Ownership products would be affordable to no more than three per cent of new social tenants.³⁶

Seven hundred million pounds of government grants originally earmarked to build social homes are being redirected to fund mainly shared ownership.³⁷ It is expected that Starter Homes will substantially replace social homes as the 'affordable' product that developers are obliged to build or fund as part of new developments. This is currently how more than a third of affordable homes are built.³⁸

The recent publication of the Government's housing white paper *Fixing Our Broken Housing Market*, however, marks a shift from the exclusive focus on homeownership.³⁹ Previous plans to require councils to ensure that 20% of all homes on major developments were Starter Home has been dropped to 10%. Furthermore, plans to increase funding for Affordable Rent homes have been outlined as well as encouraging longer term tenancies in Build to Rent schemes.

The ability of the social rented sector to deliver homes for social rent is likely to be impacted further, however, following the implementation of the Welfare Reform and Work Act (2016), which brought in a new obligation for social landlords (including local authorities) to reduce their rents by one per cent from April 2016 for a four-year period in a bid to help reduce the Housing Benefit Bill.

The Institute for Fiscal Studies (IFS) has warned that the cut in social rents could reduce the amount of new housing supply. The Office for Budget Responsibility (OBR) assumes that 14,000 fewer social sector properties will be built between now and 2020/21 as a result. There is evidence to suggest that cuts to social rents, combined with new measures to extend voluntary Right to Buy, are affecting housing associations' business models, therefore making them more risk averse, which will potentially see a shift away from homes let on social rents. In an interview conducted for the Crisis and Joseph Rowntree Foundation (JRF) commissioned Homelessness Monitor England 2016, undertaken by Heriot-Watt University, one national housing expert reported:

34 DCLG, *Live tables on affordable housing supply*, Table 1000.

35 *Ibid.*

36 Joseph Rowntree Foundation (JRF), *Understanding the likely poverty impacts of the extension of Right to Buy to housing association tenants*, York: JRF, 2015.

37 Inside Housing, '£700m grant to be shifted to ownership', 2 December 2015. [Accessed via: www.insidehousing.co.uk/700m-grant-to-be-shifted-to-ownership/7013005.article (17.2.2017)].

38 JRF, *Rethinking planning obligations: Balancing housing numbers and affordability*, York: JRF, 2015.

39 DCLG, *White Paper: Fixing our broken housing market*, London: DCLG, 2017.

“What I’m seeing is housing associations getting incredibly tight around nominations and affordability, rent in advance being asked for, for three months in advance. Rigorous affordability checks way beyond what would be considered to be a reasonable set of affordability checks. So, we’re going to get a position where housing associations, to protect their business, are going to in a way start to walk away from the cooperation with local authorities.”⁴⁰

A recent survey found that 32% of housing associations reported tightening affordability criteria due to the benefit cap.⁴¹ Following the introduction of the Localism Act (2011), local authorities have been able to exclude certain applicants they designate as ‘non-qualifying persons’. Local authorities previously had the power to refuse considering some applicants based on past behaviour. However, following the Act, they now have much greater power to define the nature of this behaviour. They can also remove people from the list who are not considered to have a local connection. An *Inside Housing* survey of English local authorities published in 2016 found that 159 authorities had removed 237,793 applicants from their waiting lists and ‘barred’ 42,994 new applicants using the Act.⁴² Homeless Link have also found that hostel residents were being excluded due to previous behaviour, such as debt, rent arrears or antisocial behaviour.⁴³

Furthermore, housing associations are increasingly turning their focus towards market housing which they are using to help subsidise more affordable products. This is likely in response to the fact that they are now only able to receive a government grant if they build housing at Affordable Rent levels and convert a proportion of their social housing stock to homes let at Affordable Rent.

In the 2015 Comprehensive Spending Review, the Government announced that rents for social housing would be capped in line with Local Housing Allowance (LHA) rates (Housing Benefit paid to tenants in the private rented sector). In most cases, rents tend to be much lower in social housing. Rents for supported hostel accommodation in the social rented sector, however, are often much higher. Furthermore, for single social tenants under 35 taking up new tenancies, their rent will be capped in line with the Shared Accommodation Rate (SAR) that is paid to single people under 35 in the private rented sector. Given the very limited shared accommodation in the social rented sector, and often large gap between the one bed rate and the SAR, these new changes will make living in social housing particularly unaffordable for young people.

There is strong evidence to show that difficulties in accessing affordable housing prevent people from breaking the cycle of deprivation and moving on with their lives. The latest data shows that there are 74,630 statutory homeless households living in temporary accommodation, waiting for an offer of permanent settled accommodation.⁴⁴ This is eight per cent higher than the previous year, and up 50% since 2010.⁴⁵ This can largely be attributed to the difficulties that local authorities have accessing affordable accommodation for families, particularly in London.

40 Fitzpatrick S et al., *The Homelessness Monitor: England 2016*, London: Crisis, 2016.

41 Inside Housing, ‘Landlords tighten up affordability criteria under lower benefit cap’, London: Inside Housing, 3 February, 2017. [Accessed via: www.insidehousing.co.uk/landlords-tighten-up-affordability-criteria-under-lower-benefit-cap/7018619.article (17.2.2017)].

42 Inside Housing, ‘Applicants barred by local connection rules’, 11 March 2016. [Accessed via: www.insidehousing.co.uk/applicants-barred-by-local-connection-rules/7014327.article (8.2.2017)].

43 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

44 DCLG, *Live tables on homelessness*, Table 775.

45 Ibid.

Homeless Link found the principal barrier for single people moving on from hostels to be a lack of affordable accommodation.⁴⁶ On average, homelessness accommodation projects reported that 30% of people currently staying in their services were ready to move on but had not yet done so. Of this group, 27% had been waiting for six months or longer. Given the much higher rate of Housing Benefit charged for hostel accommodation, the lack of affordable move on accommodation has significant financial ramifications for government.

A report from the YMCA uncovered a similar problem when they surveyed over 300 residents from 21 supported accommodation schemes.⁴⁷ More than two thirds (70%) of residents felt that the lack of affordable housing was likely or very likely to prevent them from being able to move on from homelessness.

Furthermore, private landlords are becoming increasingly more reluctant to let to tenants in receipt of Housing Benefit, therefore reducing the supply of accommodation to those who are at risk of, or have experienced, homelessness. Evidence presented from the National Landlords Association (NLA) to the DCLG in 2013 showed that less than a quarter (22%) of private landlords were willing to let to tenants in receipt of Housing Benefit, a marked drop from the 46% of members who reported that they were prepared to do so in 2010.⁴⁸

Recent research found that 82% of private landlords were unwilling to let to someone who was homeless.⁴⁹

Welfare reform, particularly caps to LHA rates and the on-going country-wide roll out of Universal Credit, are often cited as reasons for private landlords' increasing unwillingness to let to this tenant group.⁵⁰ A key driver for introducing Universal Credit was the desire to ensure that the benefit system more closely resembled work to help ease the transition into employment.⁵¹ Therefore, a single monthly benefit payment, which includes Housing Benefit, is paid directly to the claimant, rather than the landlord. Where a claimant is particularly vulnerable, an Alternative Payment Arrangement (APA) can be put in place. However, private landlords have raised concerns about the use of direct payments and the shift from claims being managed by local authorities to the DWP.⁵² These pressures, coupled with increased competition from other tenants (e.g. families and young professionals who are unable to access homeownership), often means that a much smaller proportion of landlords choose to let their properties to people in receipt of benefits.

46 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

47 YMCA, *Delayed until further notice, an insight into the barriers individuals face when looking to move on from supported accommodation*, London: YMCA, 2015.

48 House of Commons Work and Pensions Committee, *Support for housing costs in the reformed welfare system, fourth report of session 2013–14*, London: House of Commons, 2014. (NB. Shelter polling of private landlords in 2014 also found that half (49%) have a policy of not letting to people in receipt of Housing Benefit, and a further 18% said they occasionally do, but prefer not to.)

49 Gousy H, Home: *No Less will do, Improving access into the private rented sector for single homeless people*, London, Crisis, 2016. (NB. Crisis commissioned the Centre for Regional Economic and Social Research at Sheffield Hallam University to conduct research exploring homeless peoples' experiences of accessing the private rented sector. They surveyed 948 private landlords.)

50 Reeve K, Cole I, Batty E, Foden M, Green S & Pattison B, *Home No less will do: Homeless people's access to the Private Rented Sector*, London: Crisis, 2016.

51 CSJ, *Dynamic Benefits, Towards welfare that works*, London: CSJ, 2009.

52 Reeve K et al., *Home No less will do: Homeless people's access to the Private Rented Sector*, London: Crisis, 2016.

Loss of tenancy in private sector is rising

Over the last decade, the loss of a privately rented home has become the leading cause of homelessness.⁵³ The number of people accepted as statutorily homeless increased by 17,710 between 2009/10 to 2015/16, of which more than three quarters (13,320) of this increase were those made homeless as a result of the end of a private rented tenancy.⁵⁴ The latest statistics show that this is a continuing trend, with the proportion of total homelessness acceptances resulting from the loss of a tenancy in the private rented sector rising to 31% of all cases.⁵⁵ In London, where the demand for private rented accommodation is particularly high, this proportion rises to 40%.⁵⁶

There is also evidence to suggest that the loss of a home in the private rented sector is a significant driver of rough sleeping. The London CHAIN rough sleeper monitoring data shows that, in the last year, 57% of rough sleepers reported their last settled base as being some form of long-term accommodation, with 39% of all rough sleepers coming from private rented accommodation.⁵⁷

This trend can partly be attributed to changing tenure type for low-income households. Over the last decade, the number of low-income households in the private rented sector doubled from one million to two million.⁵⁸ During the same period, the number of people living in poverty in the private rented sector has grown significantly. There are now 4.5 million private renters living in poverty, up from 2.2 million a decade ago.⁵⁹ This is during a time where the overall poverty rate after housing costs has been relatively stable.⁶⁰

Historically, lower income households would have had greater access to social housing. While this is still the case in many areas of country, the lack of investment in social rented stock has led to a much higher reliance on private renting. Furthermore, changes brought in by the Localism Act (2011) have given local authorities the power to discharge the main homelessness duty through an offer of a 12-month tenancy in the private rented sector.

By comparison to the social rented sector, Housing Benefit rates for private rented sector tenants are on average £28 more expensive per week.⁶¹ Private renting is also much more insecure. Landlords are only required to let on a fixed term tenancy of six months. After this period, tenants may be evicted even if they have not broken the terms of their tenancy agreement. This uncertainty presents a significant challenge to low income households who can struggle to save for the high cost of moving into a new tenancy.

A lack of support for people with multiple and complex needs

There is often a complex interplay between the structural causes of homelessness and an individual's support needs. For some people, support needs might contribute to their homelessness, while for others they develop as a result. Support needs can include: drug or alcohol misuse; mental health problems; physical health problems; having children

53 DCLG, *Live tables on homelessness*, Table 774.

54 *Ibid.*

55 *Ibid.*

56 *Ibid.*

57 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

58 DWP, *Households below average income: 1994/1995 to 2013/14*, Table 3.6db & Table 7.5, London: DWP, 2015.

59 JRF, *Monitoring poverty and social exclusion 2016*, York: JRF, 2016.

60 McGuinness F, *Poverty in the UK: statistics*, London: House of Commons Library, 2016.

61 DCLG, *English Housing Survey Headline report 2014/15*, London: DCLG, 2016.

taken into care; or a history of offending. For people who experience one or more of these support needs the key is not only for services to find them housing and employment, but to address these underlying issues. This will ensure tenancy sustainment and help break the cycle of deprivation.

Homeless Link found that 33% of people using homelessness accommodation projects have multiple or complex needs, 31% have a drug problem, 23% have a problem with alcohol, 6% have a learning difficulty and 32% have a mental health problem.⁶² There were also high levels of support needs recorded among rough sleepers by the London CHAIN rough sleeper database: 46% were recorded as having a mental health problem; 43% had an alcohol support need and 31% had a drugs support need.⁶³ A recent report from St Mungo's found that in London the number of people recorded as sleeping rough with an identified mental health support need has more than tripled over the last five years from 711 in 2009/10 to 2,342 in 2014/15.⁶⁴

The Lankelly Chase commissioned *Hard Edges* study, undertaken by Heriot-Watt University, defined severe and multiple disadvantage as someone who has contact with two or more of the following services: homelessness; substance misuse; and the criminal justice system.⁶⁵ Within the homelessness data, only 34% of people were classified as 'homeless-only'.⁶⁶ They estimated that there are at least 58,000 people in England who have contact with all three, 31,000 people have a combination of homelessness and offending and 34,000 people experience homelessness and substance issues in any given year. The study found that an average local authority might expect to have about 1,470 cases of people with severe and multiple disadvantage over the course of a year. Bearing very similar figures, the Making Every Adult Matter (MEAM) coalition has estimated that there are approximately 60,000 adults with complex needs at any one time in England.⁶⁷

The *Hard Edges* study found that less than ten per cent of people (excluding the Westminster sample) facing severe and multiple disadvantage had migrated to the UK as adults and eight out of ten people who experience severe and multiple disadvantage are men.⁶⁸

Men are disproportionately more likely to show up in the data sets that are used to determine whether someone has multiple and complex needs. The *Hard Edges* study drew largely upon dataset that men are overrepresented in (e.g. the criminal justice system). The report acknowledged that this is just one 'lens' of multiple needs and that the figures tend to under-represent women and people from BAME groups. Further work to look at the experience and calculate the number of women with multiple and complex needs is underway.⁶⁹

62 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

63 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

64 St Mungo's, *Stop the scandal: an investigation into mental health and rough sleeping (summary- February)*, London: St Mungo's, 2016.

65 Bramley G, Fitzpatrick S, Edwards J, Ford D, Johnsen S, Sosenko F and Watkins D, *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015.

66 Ibid.

67 Making Every Adult Matter's (MEAM), *Multiple needs and exclusions*, [Accessed via: <http://meam.org.uk/multiple-needs-and-exclusions> (17.01.17)].

68 Ibid.

69 Bramley G, Fitzpatrick S, Edwards J, Ford D, Johnsen S, Sosenko F and Watkins D, *Women and girls facing severe and multiple disadvantage: An interim report*, London: Lankelly Chase Foundation, 2016.

The support needs affecting women will also vary. For example, the Crisis commissioned study *Nations Apart*, undertaken by Cardiff University, found that homeless women are more likely to have faced mental ill health (64% of women, 46% of men), violence and abuse from a partner (61% of women, 13% of men), their children being looked after by someone else (38% of women, 9% of men), and self-harming (49% of women, 23% of men).⁷⁰

Geography is also an important factor in understanding the relationship between complex needs and homelessness. While the levels of statutory homelessness are much higher in London and the South East, and can largely be attributed to a failure of the housing market and a lack of affordable housing, complex needs are a much more significant driver in other parts of the country (except for the central London Boroughs). The *Hard Edges* study found that people who experience severe and multiple disadvantage are heavily concentrated in Northern cities, seaside towns and central London Boroughs.⁷¹ Similarly, the *Nations Apart* study found that approximately four in five of the 480 homeless respondents had faced more than one support issue, while over half of the respondents had faced four or more. Again, this was particularly the case for white British respondents outside of London.⁷²

While complex needs are often regarded as a more ‘personal’ cause of homelessness, geographical variations demonstrate the impact of structural factors on their development. Several academics have argued that high concentrations of people with complex needs in certain regions must be understood within the context of entrenched poverty and high levels of unemployment affecting these areas.⁷³

In addition to the underlying structural drivers, there is strong evidence to suggest that difficulties experienced during childhood are important in determining whether someone will experience severe and multiple disadvantage. Episodes of trauma, including sexual or physical abuse, homelessness or neglect are also very important contributory factors.⁷⁴ Eighty-five per cent of people who come into contact with homelessness, substance misuse and criminal justice agencies will have experienced trauma during their childhood.⁷⁵ In-depth interviews conducted for the *Nations Apart* study revealed that traumatic early childhood experiences had a significant impact on the emergence of many of these support needs. These included: periods in care, family members with alcohol and substance misuse issues or mental health problems, or the death of a parent.⁷⁶

Multiple and complex needs are also more prevalent among people who have experienced numerous and prolonged periods of homelessness. The *Nations Apart* study found that 56% of people who had faced five or more periods of homelessness reported five or more support needs. By contrast, only 11% of people who had experienced homelessness once

70 Mackie P, et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

71 Bramley G, et al., *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015.

72 Mackie P, et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014. As part of this study, the researchers surveyed 480 single homeless people.

73 Bramley G, et al., *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015; JRF, UK Poverty: causes, costs and solutions, York: JRF, 2016.

74 Fitzpatrick S, Bramley G and Johnsen S, *Multiple Exclusion Homelessness in the UK: Briefing Paper No. 1*, Edinburgh: Institute for Housing, Urban & Real Estate Research, 2012.

75 Bramley G, et al., *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015; JRF, UK Poverty: causes, costs and solutions, York: JRF, 2016.

76 Mackie P, et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

reported five or more support needs. Failing to intervene early, either during childhood or when an individual first loses their home, can result in the development of high support needs, which can lead to multiple episodes of homelessness.

1.3 The current approach to homelessness

The homelessness legislation

For the first time, the Housing (Homeless Persons) Act (1977) gave households in 'priority need' a right to an offer of a settled home, but in doing so excluded certain groups. For most single homeless people, the local authority only has a duty to provide basic advice and information. The legislation itself goes into very little detail about how the duty should be met. As a result, the service provided is inconsistent and, when poor, difficult to legally challenge.

Currently, only households with dependent children and single people who can demonstrate that they are more vulnerable than the average homeless person can access the main homelessness duty. Too often the assistance that is provided is extremely poor or people are turned away.⁷⁷ In 2014, a Crisis mystery shopping exercise conducted to examine the treatment of single homeless people who approach their local authority for assistance found that there was a widespread problem with the advice and information provided.⁷⁸ In 50 of the 87 visits made, they received inadequate help.

The most common type of help given was signposting and information leaflets. Mystery shoppers frequently reported feeling they had been quickly 'dismissed' or even turned away without any help or the opportunity to speak to a housing adviser. In a significant number of visits (29), mystery shoppers did not receive an assessment and were not given the opportunity to make a homelessness application. They also found that the significant burden of proof placed on mystery shoppers, which often required several forms of identification, served as a gatekeeping mechanism.

Recent research carried out by St Mungo's found that 33 of the 40 rough sleepers they interviewed had slept rough the night after asking a council for help because they were homeless.⁷⁹ In 2015/16, half of 672 UK nationals who used the London No Second Night Out (NSNO) service had asked councils for help in the 12 months before they started sleeping rough.⁸⁰

No Second Night Out (NSNO) was launched on 1 April 2011 as a pilot project aimed at ensuring that those who find themselves sleeping rough in central London for the first time do not spend a second night on the streets. It was subsequently rolled out across London and is now running in Bath and North East Somerset, Brighton, Devon and Cornwall, Liverpool, Mendip and Oxford.

⁷⁷ Dobie S, Sanders B & Teixeira L, *Turned Away, The treatment of single homeless people by local authority homelessness services in England*, London: Crisis, 2014. NB. In 2014, a Crisis mystery shopping exercise conducted to examine the treatment of single homeless people who approach their local authority for assistance found that there was a widespread problem with the advice and information provided. In 50 of the 87 visits made, most of which were in London, they received inadequate help.

⁷⁸ Ibid.

⁷⁹ St Mungo's, *Nowhere safe to stay: the dangers of sleeping rough*, London: St Mungo's, 2016.

⁸⁰ Ibid.

While this increase might be partly due to better recording, the fact that around 40% of clients are seeking help from NSNO following a visit to Housing Options demonstrates that local authorities are missing the opportunity to provide meaningful early assistance to resolve their homelessness.

Even for people who are owed the main homelessness duty, the failure of the current legislation to mandate effective prevention at an early stage often means that people are forced to crisis point before the local authority intervenes. An applicant is currently only assessed as threatened with homelessness if they are likely to become homeless within the next 28 days. This provides a local authority with very little time to carry out meaningful prevention work. Of the 57,860 households who were owed the main homelessness duty in 2015/2016, 63% were placed in temporary accommodation. Eight per cent were immediately housed in settled accommodation.⁸¹ Only 28% of households were able to remain in their existing accommodation for the foreseeable future.⁸²

Scotland and Wales have introduced new legislation to address these problems. Scotland have abolished the priority need criteria altogether and Wales have brought in stronger prevention and relief duties that apply irrespective of priority need status.

Building on the principles of the Welsh legislation, the Conservative MP Bob Blackman is currently taking a Private Member's Bill through Parliament. The Bill would: place a stronger duty on local authorities to prevent homelessness for all eligible applicants; extend the definition of threatened with homelessness from 28 to 56 days, providing local authorities with a more realistic window of time within which to carry out meaningful prevention work; and place a new relief duty on local authorities requiring them to take reasonable steps to help to secure accommodation for all eligible homeless households. The Government has pledged its support to this legislation.

As well as reducing personal harm for the individual, preventing homelessness for a much larger group of people could have significant cost savings for government. Crisis research has estimated that public spending would fall by £370 million if 40,000 people were prevented from experiencing one year of homelessness, based on an average estimated reduction in public spending of £9,266 per person per year.⁸³

Failure to prevent homelessness for easily identifiable groups of people

There are some very easily identifiable groups of people who are overrepresented within the homeless population. There is significant correlation between groups of people who are more likely to experience homelessness and time spent in some form of institution. These include, for example, care leavers and people released from prison. Prison leavers still comprise more than a fifth of people in hostel accommodation⁸⁴ and almost a third of people recorded sleeping rough had experience of serving time in prison.⁸⁵ Similarly, the

81 DCLG, *Live tables on homelessness*, Table 777.

82 Ibid.

83 Pleace N & Culhane D, *Better than Cure? Testing the case for enhancing prevention of single homelessness in England*, London: Crisis, 2016.

84 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

85 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

care leaving population represents only about one per cent of young people,⁸⁶ yet it is estimated that 14% of young people who are homeless are care leavers.⁸⁷

Embedding housing and homelessness strategies across various government departments that interact with these more vulnerable groups before they become homeless is critical to early intervention.

Over the last couple of decades, we have seen a marked decline in homelessness among ex-armed forces, highlighting the potential to do so for these other groups.

Reduction in homelessness among ex-army personnel in England

A Crisis commissioned report in 1994 found that approximately a quarter of single homeless people had served in the UK armed forces.⁸⁸ The publication of this work subsequently led to the formation of several military welfare groups focused on helping to tackle this problem.⁸⁹

In 2003, the Government launched the Strategy for Veterans. This culminated in the Armed Forces Act (2011), which enshrined the principles of the Military Covenant in law and the overall responsibility for ex-forces staff fell to the Ministry of Defence (MoD). The Armed Forces Act (2011) also made provision for the establishment of 'Armed Forces Community Covenants.' This was designed to encourage communities to support local service communities (including veteran populations). By 2013 it was reported that 98% of local authorities had signed up to the Armed Forces Community Covenant.⁹⁰ Measures taken by local authorities to help meet their commitment to the covenants have included additional priority for veterans who have a local connection and backdating waiting time on social housing registers to the start of military service for those leaving service.⁹¹

Further research by the University of York in 2008 found that among London's hostel and rough sleeper population, only 6% (approximately 1,100 individuals) had served in the UK armed forces.⁹² The latest CHAIN report found that of the 8,096 people who were seen sleeping rough in London in 2015/16, 452 (8%) had experience of serving in the armed forces, of whom 142 (3%) were UK nationals.⁹³

The reduction of homelessness amongst ex-armed forces personnel is the direct result of increased political will, which resulted in a highly-targeted strategy embedded within the MoD to prevent homelessness for this cohort, alongside increased mobilisation from voluntary sector organisations working on this issue. A similar strategy led to the reduction of veteran homelessness in the United States (U.S.).

86 Winterburn M., *Finding Their Feet: Equipping care leavers to reach their potential*, London, CSJ, 2015; Department for Education (DfE), *Children looked after in England, including adoption*, London: DfE, 2014; Office for National Statistics (ONS), *Population Estimates for UK, England and Wales, Scotland and Northern Ireland, Mid-2013*, London: ONS, 2014.

87 Homeless Link, *Young and Homeless 2015*, London: Homeless Link, 2015.

88 Randell G & Brown S, *Falling Out: A Research Study of Homeless Ex-Service People*, London: Crisis, 1994.

89 The Royal British Legion, *Literature review: UK veterans and homelessness*, London: The Royal British Legion, (undated)

90 Jones A, Quilgars D, O'Malley L, Rhodes D, Bevan M and Pleave N, *Meeting the Housing and Support Needs of Single Veterans in Great Britain*, York: University of York, 2014.

91 Ibid.

92 Ibid.

93 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

Reduction of veteran homelessness in the U.S.

Since 2010, the U.S. has nearly halved the number of veterans experiencing homelessness. In January 2016, the U.S. Department of Housing and Urban Development's (HUD) annual point in time estimate of the country's homeless population found that fewer than 40,000 veterans were experiencing homelessness.⁹⁴ The effectiveness of the programme has largely been attributed to the U.S. HUD Veteran Affairs programme, which combines rental assistance, case management and clinical services. Since 2008, more than 114,000 homeless veterans have been served through this programme.⁹⁵ As well as strong political leadership from the Obama administration, there have been significant funds allocated to tackle veteran homelessness with the budget increasing from \$400 million when he first came to office to \$1.4 billion in 2014.⁹⁶

Services often fail to effectively cater for people who are homeless and have multiple and complex needs

The suitability of hostel accommodation

Hostels generally aim to provide people with temporary accommodation before they can move into specialist supported accommodation or mainstream housing. The current hostel system in England is still largely built upon a staircase approach which requires people to engage with various support services (e.g. mental health and substance misuse services) to demonstrate they are 'housing ready' before they can access permanent housing. There is very little evaluation of the efficacy of the hostel system.⁹⁷ Several academics have argued that the evidence base for hostel and transitional housing interventions in moving people into permanent accommodation and addressing complex needs is weak.⁹⁸ This does not, however, mean that hostels are ineffective, rather that the evidence we have is limited. Hostels have provided a successful route off the streets for thousands over the years, but for some people hostels have not been a suitable option

Significant capital investment has been made into improving the physical conditions in many of the older traditional hostels and creating a stronger emphasis on work and learning. Between 2005 and 2008 the Hostels Capital Improvement Programme provided £90 million of funding for hostels and day centres. Following this programme the Places of Change initiative aimed to upgrade facilities and create more training and employment opportunities for people who were homeless. Between 2012 and 2015, DCLG dedicated £30 million of funding through the Homelessness Change programme to the development of new and refurbished hostel accommodation for rough sleepers or those at risk of sleeping rough.⁹⁹ The Department of Health (DH) has also recently provided an additional

94 US Department of Defence's Website, *Veteran Homelessness Drops Nearly 50 Percent Since 2010*, [Accessed via: www.defense.gov/News/Article/Article/881729/veteran-homelessness-drops-nearly-50-percent-since-2010 (18.01.17)].

95 Ibid.

96 Penn Current, *Penn-led report finds drop in U.S. homelessness rate*, 16 January 2014, [Accessed via: <https://penncurrent.upenn.edu/2014-01-16/features/penn-led-report-finds-drop-us-homelessness-rate> (18.01.17)].

97 NB. A rare example of research on the effectiveness of hostels was the FOR-HOME study, carried by Kings College London in 2011. This study followed the resettlement of 400 homeless people across the UK from hostels and temporary accommodation into permanent accommodation. The study found high tenancy sustainment rates (particularly in social housing) although stressed the need an improved resettlement process. [Accessed via: www.kcl.ac.uk/sspp/policy-institute/scwru/pubs/2011/craneetal2011forhomefinalreport.pdf (8.2.2017)].

98 Teixeira L & Johnsen S, *Staircases, Elevators and Cycles of Change, 'Housing First' and other housing models for homeless people with complex support needs*, London: Crisis, 2010.

99 Homes and Community Agency (HCA) & Department of Health (DH), *Homelessness Change programme 2012 to 2015: allocations*, [Accessed via: www.gov.uk/government/publications/homelessness-change-programme-allocations (18.01.17)].

£40 million of capital funding for homelessness hostel refurbishment and shared accommodation for vulnerable young people.¹⁰⁰

Despite the substantial provision of capital funding for hostels, the de-ring fencing of Housing-Related Support (formerly known as Supporting People funding), in the context of cuts to local authority budgets, has resulted in reductions in council spending for non-statutory homelessness services. Spending in this area has fallen by a median of 45% between 2010/11 and 2014/5.¹⁰¹ Homeless Link's found that for 56% of homelessness accommodation projects, their main primary funding source remains Housing-Related Support, but that 47% of homelessness accommodation projects have experienced a decrease in their funding since the last financial year.¹⁰²

In the 2015 Comprehensive Spending Review, the Government announced that rents for social housing would be capped in line with Local Housing Allowance (LHA) rates (Housing Benefit paid to tenants in the private rented sector). In most cases, rents tend to be much lower in social housing. Rents for supported and hostel accommodation in the social rented sector, however, are often much higher. Homelessness charities and service providers warned that cuts to rents would therefore have threatened the viability of supported accommodation services for people who are homeless.

From 2019/20 the Government has proposed that rent for accommodation and eligible service charges should be funded through Housing Benefit or Universal Credit at the LHA rate (the Shared Accommodation Rate will not be applied to hostel residents).¹⁰³ For other associated costs above the LHA rate, central government will devolve funding to local authorities who will be able to provide hostels will additional funds. The Government has proposed that this funding is ringfenced.

People with multiple and complex needs are falling through the cracks of statutory and non-statutory services

People with multiple and complex needs often find it difficult to access the support they need to break the cycle of deprivation and find permanent accommodation. Too often services are set up to deal with one problem that an individual might be facing without any provision to address other issues. This can make it extremely difficult to achieve successful results.¹⁰⁴

Last year 46% of homelessness accommodation projects reported refusing a client access to services because their needs were too complex and 73% said they had turned people away because their needs were too high.¹⁰⁵

100 Ibid.

101 National Audit Office (NAO), *Local government: The impact of funding reductions on local authorities*, London: NAO, 2014.

102 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

103 Rt Hon Damian Green MP, Housing Benefit: Written statement- HCWS154, September 2016 [Accessed via: www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS154 (17.2.2017)].

104 The Calouste Gulbenkian Foundation (UK Branch) & MEAM, *Individuals with multiple needs: the case for a national focus*, London: MEAM, 2015.

105 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

A significant proportion of single people with support needs will also fail to qualify as ‘vulnerable enough’ to be offered the main homelessness duty by their local authority, and therefore fall between the gaps of statutory and non-statutory services. Families with dependent children are automatically owed the main homelessness duty if they are eligible for assistance, have a local connection and are unintentionally homeless. By comparison, single people are only owed the duty if they can demonstrate that they are significantly more vulnerable than an ordinary homeless person facing homelessness. Only then will they be considered in priority need. The test case that played a key role in how the vulnerability threshold was applied was *Pereira v Camden Council* (1998), which stated that a person is considered vulnerable if they ‘would suffer an injury or other detriment that the ordinary homeless person would not.’ Subsequent cases further restricted this definition, to the point where the comparator was ‘an ordinary street homeless person.’ Given that rough sleepers are much more likely to suffer from physical and mental health problems and have significantly higher support needs compared to the rest of the population, this test created an almost insurmountable hurdle for vulnerable single homeless people to overcome to access the main homelessness duty.

In 2015, the Supreme Court ruled that local authorities must now consider how vulnerable someone is compared to the ordinary person facing homelessness, not someone who is already homeless. Yet there has been no significant increase in the number of single homeless people assessed as vulnerable and owed the main homelessness duty and most local authorities surveyed for the *Homelessness Monitor England 2016* believe that this judgment will have little impact on their current practice.¹⁰⁶

The *Hard Edges* study found that the 58,000 people who face severe and multiple disadvantage cost the state £10.1bn per year.¹⁰⁷ This figure includes additional costs incurred by social services, the criminal justice system, mental and physical health services, as well as the costs incurred by local authorities for looking after children of people who experience severe and multiple disadvantage.

At the end of the Coalition Government, the Ministerial Working Group on Preventing and Tackling Homelessness put out a call for evidence to explore how interventions for people with multiple and complex needs could be improved through new innovative approaches. The paper called on the sector to consider whether a Payment by Results (PbR) model could be used to expand the commissioning of services. There has been no subsequent policy announcement in this area yet.

Too often people who experience chronic homelessness and have complex needs are considered the most difficult to help. They form, however, a relatively small group of the overall homeless population and there are examples of positive interventions which have worked for this group that should be reflected upon when designing new policy in this area. The Rough Sleepers Initiative (RSI), which ran between 1990 and 1999, spanning both Conservative and Labour Governments, was highly effective in reducing the numbers of rough sleepers. During this period around 3,500 units of permanent accommodation in London were created and 5,500 people were housed. Evaluations of the schemes have stressed the importance of the high levels of support that were provided and a

¹⁰⁶ Fitzpatrick S et al., *The Homelessness Monitor: England 2016*, London: Crisis, 2016.

¹⁰⁷ Bramley G, et al., *Hard Edges: Mapping Severe and Multiple Disadvantage*, London: Lankelly Chase Foundation, 2015.

multi-agency approach which coordinated housing support services, drug and alcohol services, mental health services and employment support services.¹⁰⁸ Given the success of this scheme, elements should be incorporated into future programmes designed to help reduce chronic homelessness. One criticism of the programme, however, was that there was less focus on creating a steady supply of affordable accommodation for rough sleepers in the long term.¹⁰⁹

Lack of coordinated response to homelessness

The CSJ strongly welcomes commitments made by the Government over the last year to prevent and tackle homelessness. Ten million of the new £40 million homelessness programme, will be aimed at preventing rough sleeping. Twenty million pounds will be provided to local authorities to trial new initiatives to prevent homelessness at the earliest stage. A further £10 million Social Impact Bond programme has been launched to help long term rough sleepers. Furthermore, Government has pledged its support for the Homelessness Reduction Bill as well as committing to provide local authorities with an additional £61 million to fund changes brought in by the new legislation.

Despite the significant commitment shown by Government, we still lack a robust cross-government strategy to prevent and tackle homelessness. Homelessness policy sits within DCLG, but is heavily influenced, for example, by the Home Office, the Department for Work and Pensions (DWP), the DH, the Ministry of Justice (MoJ) and the Treasury. Other government departments are also much more likely to be in contact with groups of people who are at very high risk of homelessness and could carry out early prevention work with them (e.g. the MoJ's interaction with prisoners). Often, policy from these departments affecting homelessness can be at best fragmented, and at worst contradictory.

The Ministerial Working Group on Preventing and Tackling Homelessness was formed in 2010 with the aim of coordinating Government departments to work on combatting homelessness. The group is led by DCLG. The group has been effective in advising on the roll out of a number of new policy initiatives, including No Second Night Out and the Street Link phone service. The *Making Every Contact Count* report from the group also sets out some good principles on how any organisation and department that encounters someone who might be at risk of homelessness can identify and support them at a much earlier stage. However, there is little evidence to date that the group has had an influence on the policy of departments other than DCLG.

The collection of data needs to be more effective

While detailed information on the number of people who are helped via the main homelessness duty is recorded, very little is known about other people who approach their local authority. No information is collected about the types of households assisted or the effectiveness of the assistance provided. While local authorities might hold this data at a local level, that the Government does not require its publication means that it is extremely difficult to develop effective prevention and relief strategies on both a local and national level.

108 Randall G & Brown S, *Steps Off the Streets: Solutions to street homelessness*, London: Crisis, 2006.

109 McNeil C & Hunter J, *Breaking boundaries, Towards a 'Troubled Lives' Programme for people facing multiple and complex needs*, London: Institute for Public Policy Research (IPPR), 2015.

While the data held on rough sleepers in London, collected through the CHAIN database, provides detailed information about the profiles of rough sleepers and their journeys into homelessness, no similar data is collected and published outside the capital. This type of information is vital in enabling local authorities to design effective services and should be rolled out nationally.

Following an investigation into the Government's homelessness statistics in 2015, the UK Statistics Authority published a report, which made a series of recommendations on how their collection and publication could be improved.¹¹⁰ The report concluded that the prevention and relief statistics fail to meet the required standards of trustworthiness, quality and value to be designated as 'National Statistics' and that, given the growing number of people helped outside of the main homelessness duty, the Government should bring these statistics up to the same standard as the statutory homelessness statistics with regards to the level of detail collected and the frequency of publication. The report also questioned the quality of the rough sleeping statistics.

Furthermore, there is very little evidence published on the effectiveness of hostels and other forms of transitional accommodation. There is currently no common outcomes framework across the homelessness sector to help benchmark and commission more effective interventions and enable services to respond and change their delivery based on what they learn through this process.

1.4 A new approach to ending homelessness

Rising levels of homelessness pose a significant barrier to tackling poverty and deprivation. The increase in all forms of homelessness over the last few years is extremely concerning and requires a robust response from government to help curb this trend. An examination of the scale and key drivers of homelessness demonstrate, however, that this is not an unresolvable problem. In England, we have a relatively strong infrastructure to help tackle homelessness: a legal safety net for certain groups, a welfare system that supports people with housing costs and a well-established voluntary homelessness sector.

With strong political will and robust evaluation of the services we deliver, there is great potential to ensure that local authorities and government departments work in a smarter, more efficient way to help prevent homelessness occurring in the first place. This would reduce personal harm and costs in the long term. The number of people who experience chronic homelessness and have complex needs form a relatively small group within the overall homeless population. The Government has a significant and realisable opportunity to end homelessness for this group. Based on the evidence considered in this Chapter, the CSJ would recommend that Government adopt the following strategy:

1. **Commission new interventions to end chronic homelessness.** The Government should seek to commission new housing-led interventions proven to be the most effective at ending homelessness specifically for people who face the greatest set of barriers to permanent housing.

¹¹⁰ UK Statistics Authority, *Statistics on Homelessness and Rough Sleeping in England*, London: UK Statistics Authority, 2015.

2. **Create and commission new cross-departmental measures to prevent homelessness more effectively.** The Government should seek to embed housing and homelessness strategies across government departments to help identify and assist people most at risk of, and threatened with, homelessness to ensure that we have a legislative and non-statutory system that is more heavily geared towards early intervention than crisis.
3. **Ensure access to affordable housing for people who have experienced, or are at risk of, homelessness.** The Government should adopt a housing policy which helps to ensure access to genuinely affordable, low cost rental housing for low income households and those who have experienced homelessness to both prevent homelessness and ensure that when episodes of do occur, they are brief and non-recurrent.

chapter two

Reducing rough sleeping and chronic homelessness

This chapter will set out the case for developing a national Housing First programme for people with multiple and complex needs who experience long term homelessness. A 'housing first' or 'housing led' approach should also be explored with other groups of people who are at risk of, or have experienced, homelessness. This argument will be explored in the final two chapters of this report.

A key shift from the current system will allow for a greater focus on housing led solutions to homelessness. Put simply, this approach provides people with rapid access to a stable home with an accompanying package of support, dependent on their level of need, to help them sustain their tenancy and break the cycle of poverty and deprivation. This could range from early intervention to help someone to remain in their home, rapid rehousing when someone becomes homeless or Housing First, as set out below, for people who experience chronic homelessness.

2.1 The current system

Hostels and supported housing provide temporary accommodation to some of the most vulnerable people in our society – those who would otherwise be without any other shelter, or whose needs are sufficiently high that they are unable to live fully independently. They should act as a platform to assist people into more permanent housing. There is evidence to suggest, however, that people get trapped in the system for much longer periods of time either due to a lack of affordable accommodation or because they fail to demonstrate that they are 'housing ready' in order to gain their own tenancy. The latter is often the case for people who have multiple and complex needs.

As discussed in Chapter One, the current hostel system in England is still largely built upon a staircase approach which requires people to engage with various support services (e.g. mental health and drug and alcohol programmes) to demonstrate they are 'housing ready' before they can access permanent housing. As a result, people with multiple and complex needs have to address issues such as substance misuse in a relatively chaotic and unstable environment, which can prove extremely challenging. There is very little

evaluation of the efficacy of the hostel system.¹¹¹ This does not, however, mean that hostels are ineffective, rather that the evidence we have is limited.¹¹²

There has been a shift towards a more personalised approach within hostels, with the aim of providing greater choice and individualised support for residents.¹¹³ This is reflected in the move towards much smaller hostels. Last year more than half of homelessness accommodation projects had 20 beds or fewer.¹¹⁴ The average number of residents per project was 31.¹¹⁵ There has also been a shift towards the practice of harm reduction which places less emphasis on the need for complete abstinence before someone can access permanent accommodation.¹¹⁶ The majority of hostels will work to link people to drug and alcohol services and it would be extremely uncommon for a project to evict someone because they had a drug and alcohol misuse problem.

There is evidence to demonstrate that, as well as not being able to progress to more permanent accommodation, homeless people with multiple and complex needs face difficulties accessing hostels in the first place.¹¹⁷ This reflects a wider problem that funding and commissioning structures do not facilitate the provision of multi-agency coordinated care and support services. Problems navigating siloed services have been widely reported by service users.¹¹⁸

There is an overwhelming international evidence base to support the use of Housing First as an alternative 'housing-led' solution for people who have multiple and complex needs. Housing First prioritises rapid access to a stable home for someone, from which they can then begin to address other support needs through coordinated wrap around support and case management.¹¹⁹ Importantly, someone does not have to prove that they are 'housing ready' to access permanent housing and there is no requirement to engage in support services to continue to maintain a tenancy.

Reduced national spending, high tenancy sustainment rates and improved outcomes provides a compelling argument for scaling up Housing First in England.

In contrast to the 'housing ready' or 'treatment first' approach of the UK hostel system, Housing First has been widely adopted in North America and Western Europe, including the U.S., Belgium and Spain, and has formed a central component of national strategies in Canada, Denmark, Finland and France to reduce and stem rising homelessness.¹²⁰

111 Teixeira L, et al., *Staircases, Elevators and Cycles of Change, 'Housing First' and other housing models for homeless people with complex support needs*, London: Crisis, 2010.

112 NB. A rare example of research on the effectiveness of hostel was the FOR-HOME study, carried by Kings College London in 2011. This study followed the resettlement of 400 homeless people across the UK from hostels and temporary accommodation into permanent accommodation. The study found high tenancy sustainment rates (particularly in social housing) although stressed the need an improved resettlement process. [Accessed via: www.kcl.ac.uk/sspp/policy-institute/scwru/pubs/2011/craneetal2011forhomefinalreport.pdf (8.2.2017)].

113 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

114 Ibid.

115 Ibid.

116 Johnsen S & Teixeira L, 'Doing it already'? stakeholder perceptions of Housing First in the UK', *International Journal of Housing Policy*, 12(2), 183–203, 2012.

117 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

118 MEAM, *Solutions from the Frontline: Recommendations for policymakers on supporting people with multiple needs*, London: MEAM, 2015.

119 Homeless Link, *Housing First in England: The principles*, London: Homeless Link, 2016.

120 Ibid.

The Housing First model was developed in New York in the early 1990s by the not-for-profit organisation Pathways to Housing. The aim was to help people who were chronically homeless with severe mental health problems access permanent accommodation.

The key principles of the Pathways Housing First approach¹²¹

- **Provision of independent permanent accommodation** across scattered sites in the private rented sector. The Housing First provider leases accommodation from private landlords. Permanent accommodation is provided alongside wrap-around support. Participants are given far more choice over the location and type of accommodation they move into.
- **No requirement to prove 'housing readiness'** or that they have undertaken work to reduce their drug and alcohol intake to access permanent housing.
- **A harm reduction approach** separates clinical issues from housing issues. There is no requirement for people to be sober or access treatment to sustain their housing.
- **Provision of integrated and comprehensive community support** is delivered to participants through multidisciplinary Assertive Community Treatment (ACT) teams. ACT teams are designed to provide treatment, rehabilitation and support services to individuals who are diagnosed with severe mental health problems and whose needs have not been well met by more traditional mental health services. The team will include specialist healthcare professionals.
- **Targeting of the most vulnerable** to give priority to people who have faced the greatest difficulties accessing mainstream services.

International evidence demonstrates the success of Housing First in achieving high levels of tenancy sustainment rates from 70% to over 90%.¹²² One study in New York reported that 88% of chronically homeless people using Pathways to Housing's model were stably housed after five years.¹²³ This compares to only 30% to 50% of people who used the staircase model in America, which required them to demonstrate that they were 'housing ready' before moving into permanent accommodation.¹²⁴

The adoption of the approach across North America has largely been driven by the need to reduce large government spending and several studies have shown that it is more cost effective than the traditional model.

As well as visiting schemes in the U.S. as part of this study, we have also travelled to Finland, Denmark, and Scotland where the Housing First model is working particularly well to reduce and stem homelessness.

121 Teixeira L et al., *Staircases, Elevators and Cycles of Change 'Housing First' and Other Housing Models for Homeless People with Complex Support Needs*, London: Crisis, 2010.

122 Pleace N & Quilgars D, *Improving Health and Social Integration through Housing First: A Review*, York: Centre for Housing Policy, 2013.

123 Tsemberis S, 'Housing First: Ending Homelessness, Promoting Recovery and Reducing Costs', in Gould E & O'Flaherty B, *How to House the Homeless*, New York: Russell Sage Foundation, 2010.

124 Pleace N et al., *Improving Health and Social Integration through Housing First: A Review*, York: Centre for Housing Policy, 2013.

Finland

In 2008, the Finnish Government announced a new four-year strategy administered by the Minister of Environment to reduce long term homelessness and improve prevention services. Housing First is now a central feature of Finland's homelessness strategy. The strategy was followed in 2012 by a second programme which focused more heavily on developing scattered sites for Housing First, rather than congregate sites, alongside intensive floating support and prevention services.

Everyone living in hostel accommodation has been provided with permanent housing and wrap-around support. Adopting a harm reduction approach, the programme does not require people to take up the offer of support to access housing. Clients are also given choice over the type of housing that they want to live in. Housing is principally provided by the Y Foundation, which is a housing association focused specifically on housing people who have experienced homelessness. Finland's Slot Machine Association have provided 50% grants for purchasing flats from the general housing market. The Y Foundation has also received funding from the Housing Finance and Development Centre to help build new housing. Between 2008 and 2015, approximately 2,500 new dwellings were built for people experiencing homelessness and 350 new social work professionals have been employed to work specifically with this group of people.

According to FEANTSA, the European Federation of National Organisations working with the Homeless, Finland is the only EU country in which homelessness continues to decrease.¹²⁵

During the programme period, long-term homelessness decreased by 35% (1,345 persons). In 2015, homelessness decreased for the first time to fewer than 7,000 people. These figures are mostly made up of people living with friends and relatives (5,503). The cost estimate for the action plan is €78 million.¹²⁶

Denmark

In 2008, the Danish Parliament launched a new National Homelessness Strategy. The programme ran from 2009 to 2012 and was accompanied by a budget of €65 million. The programme followed the first national count of homelessness in Denmark which identified that 5,290 Danish citizens were homeless. This figure was made up of 500 people who were sleeping rough; 2,000 people staying in homeless shelters; and over 1,000 people staying temporarily with family or friends. This figure also included a smaller group of people who were awaiting release from hospital or prison and those in short-term transitional housing.

The strategy contained four key goals:

- to reduce rough sleeping;
- to provide solutions other than homeless shelters for young people;
- to reduce time spent in shelters; and
- to reduce homelessness on institutional release from prison and hospitals.

Between 2009–2012, 17 municipalities (representing approximately two thirds of the homeless population in Denmark) have been involved in implementing the strategy. Since 2009, there has been an overall increase in homelessness in Denmark. In the areas that implemented the new strategy, however, the rise has been much less steep.

¹²⁵ Ministry of Environment, *Action Plan for Preventing Homelessness in Finland 2016–2019: Decision of the Finnish Government 9.6.2016*, Ministry of Environment: Helsinki, 2016.

¹²⁶ Ibid.

In the eight municipalities with the most extensive programme, homelessness increased by an average of 4%. In the 81 municipalities that did not implement the strategy, homelessness increased by 43%.

Evaluations of the strategy have attributed this success to the political commitment to Housing First, an intensive floating support programme and a relatively sufficient supply of affordable housing.

The Housing First approach has proved very successful, with nine out of ten previously homeless people who were housed through the programme sustaining their tenancy. The Danish model is mostly delivered through scattered sites, rather than congregate block sites. A follow-up programme from 2014 to 2016 aimed at anchoring and mainstreaming the Housing First approach in municipalities and expanding it to new municipalities. This is currently under evaluation. A third programme stage running from 2017 to 2019 aims at expanding the Housing First programme to more municipalities.

Turning Point Glasgow Housing First project

Turning Point's Housing First project has received 202 referrals since its inception in August 2010. Sixty-four individuals have gone on to assessment for the service. The first tenancy was gained in December 2010. Currently there are 34 individuals in permanent Scottish secured tenancies throughout Glasgow. In total, 26 individuals are no longer being supported by Housing First. Of this group, only one was evicted from their tenancy.

With regards to previous accommodation, hostel life is by its very nature chaotic and it can be almost impossible for those with addictions to address these issues. Even with the best of intentions to reduce drug and alcohol use, service users find it very difficult to be honest about their use of illicit substances as doing so would most often lead to eviction.

Twenty six of the thirty four service users that are housed have registered with local GPs and dental practices. This will have made a significant difference to their presentations to A&E, as this is often the first port of call for someone who is ill and homeless. Service users are much more likely to, and do use mainstream follow on treatment, attending hospital appointments once they are registered with their GP. Twenty four of the service users have reduced or stopped their substance use. Six of the residents have had no change in their substance use. Only two have increased their substance use since moving into their own tenancy.

Peer support workers help service users to deal with utilities, furniture and housekeeping. Peer support workers will also assist service users to attend recovery events, recovery cafes, Alcoholics Anonymous and Narcotics Anonymous. They will also often signpost or refer service users to other day services within Glasgow. Regular reviews are held with service users, care managers, housing associations, accommodation and support providers and health services. All individuals report feeling more settled now that they have their own home and are no longer part of the homeless 'scene'. They report a sense of belonging and feeling valued in society because they have their own home and have reduced their substance misuse.

Housing First in England

While there are still relatively few Housing First projects operating in England, the approach is working well to help people who are chronically homeless move into and sustain permanent accommodation, as well as improving their health and wellbeing. In 2015, the University of York published findings from an observational study of nine Housing First

services.¹²⁷ They found that 74% of current service users had been successfully housed for one year or more. Data collected from 60 Housing First service users showed that:

- 43% reported 'very bad or bad' physical health a year before using Housing First, this fell to 28% when asked about current health;
- 52% reported 'bad or very bad' mental health a year before using Housing First, falling 18% when asked about current mental health;
- 71% reported they would 'drink until they felt drunk' a year prior to using Housing First, falling to 56% when asked about current use;
- 66% reported drug use a year prior to using Housing First, falling to 53% when asked about current use; and
- 62% reported they were 'very satisfied' with their housing, with an additional 26% reporting they were 'fairly satisfied.' Only 13% reported they were dissatisfied with their housing.

The CSJ took evidence from Housing First schemes in England and were particularly impressed with the following models.

Fulfilling Lives Islington and Camden (FLIC) Housing First project

FLIC works with people who have complex, unmet needs in all of the following four areas: homelessness; drug and alcohol use; mental health problems; and offending behaviour. As well as providing intensive, flexible and creative support to connect people to the services they need, they provide support to help people navigate the pathways to their recovery.

FLIC's Private Rented Sector officer is responsible for sourcing properties from across London. This includes building relationships with agents and landlords to procure properties and continuing to act as the point of contact throughout all stages of a client's tenancy. A frontline worker provide intensive support to Housing First clients in a variety of ways – from supporting them with life skills, helping them to budget and manage bills and linking clients to local treatment services and social activities.

To dates FLIC has housed eleven clients in the private rented sector using the Housing First model. 100% of clients in PRS accommodation have sustained their tenancies. One of these clients has had their tenancy for 18 months, two for 16 months, one for 15 months, one for 12 months, one for 10 months, one for nine months, two for six months and one for four months.

All the clients are now registered with GPs and linked in with treatment services, either around their substance and alcohol use, their mental health, or both. Many are now involved in some form of training which could help move them into employment.

Wayne's experience

Wayne is 54 years old. He left the army with post-traumatic stress disorder (PTSD) aged 22. He ended up street homeless and started to drink heavily to self-medicate for his mental health issues, and ended up addicted to crack and heroin. To fund his habit, he started prolifically shop lifting. When FLIC met him two years ago, he had been street homeless for 30 years and had served around 50 custodial sentences. Outreach teams had approached him over the years but they could only offer him accommodation in a homeless hostel. Due to his PTSD Wayne found this environment, being in close proximity to lots of other people with similar issues, very

127 Pleace N & Bretheton J, *Housing First in England: An Evaluation of Nine Services*, York: Centre for Housing Policy, 2015.

traumatic. He found it safer to sleep on the street. Over the years, he became very distrustful and resentful towards services and stopped engaging as he felt no one could help him.

FLIC provided Wayne with self-contained accommodation in a private rented sector studio flat. He has now sustained this tenancy for 20 months. At the age of 54, it is the first home he has ever had in his life. He has not had a single custodial sentence in this time. This is the first time he has spent a year out of prison in 30 years. He is still drinking but has totally stopped using Class A drugs and no longer shoplifts to fund this habit. Last year he voted for the first time in the EU referendum. He is addressing underlying health conditions that he has never got treatment for before. He has recently got a cat as he loves animals. He says he feels part of society for the first time ever.

Threshold Housing First project

Threshold is a housing advice and support charity, which is part of New Charter Group housing association. They have established a Housing First pilot for persistent and prolific women offenders in three local authority areas in Greater Manchester: Tameside; Stockport; and Oldham. The project follows a high fidelity model based on the international 'Pathways to Housing'. The project is currently working with 12 women, offering them a choice of where to live and an intensive support package, which focuses on individual needs. The eligibility requirements for this pilot are that women have had an offending history. However, all the women are victims of domestic violence and many have been subject to childhood abuse.

Since the project started a year ago, it has:

- helped to reduce the number of offences carried out by women using the service for example, one customer reduced from 140 to none;
- achieved up to 80% sustained tenancies with minimal reports of anti-social behaviour;
- helped women to rebuild relationships with their family; and
- helped reunite women with their children through close links to children's services.

The work of Threshold's Housing First project helps fulfil the 'Transforming Justice and Rehabilitation' work-strand of the Greater Manchester Combined Authorities Public Sector Reform programme. A priority for this aspect of the Manchester Devolution Deal is the development of 'New Delivery Models' that are effective in 'switching-off' the demand (and escalating costs), in this case by women who offend and re-offend, that would otherwise be brought to public service partners in the City Region.

The Greater Manchester Combined Authorities cost benefit analysis found that since the beginning of the project, every £1 invested in the Housing First project has realised outcomes worth of £2.51.

Sally's experience

When Sally was referred to the service she was living in temporary accommodation and had physical and mental health issues. She experienced sexual and domestic abuse from a very young age. Sally was taken into local authority care and developed problems with self-harming and alcohol addiction. She had two children who were taken into care at birth. Sally became homeless and repeatedly offended.

Housing First has given Sally a home of her choice, a personalisation grant to help her find the support she needs, an intensive support package through a persistent and consistent approach and links to peer mentors to help support Sally through her difficult journey. She has also received support to attend women's groups and attend medical appointments, and mediation with her family to help re-build relationships. She is now living in a new home and successfully managing her tenancy, living closer to her family, no longer using alcohol or substances and no longer offending.

The projects outlined above demonstrate the success of the Housing First approach in helping move some of the hardest to reach groups into permanent accommodation and improving their wellbeing.

People with multiple and complex needs use a disproportionate amount of public services. Adopting the Housing First approach, proven to stabilise lives, has potential for significant financial savings for government. Individuals experiencing combined homelessness, substance misuse and contact with the criminal justice system, cost an additional £14,735 to £41,125 to the state every year.¹²⁸

Recent research estimated that if we moved homeless adults in England with the most complex needs into Housing First projects, there could be an estimated saving of £200 million per annum after two years for government.¹²⁹

One of the problems with measuring savings, however, is that the number of homeless people with very high levels of need are relatively low. The savings are not therefore always realisable because you might only have one person using a service. For example, while it is possible to measure the costs saved in term of reducing one person's admission onto a hospital ward, in practice this saving is not cashable because the hospital would have to carry on running the ward as usual. It would, however, relieve pressure on the service. It is also possible that in the very short term a Housing First approach might lead to a rise in public spending because of increased engagement.

The University of York's study of nine Housing First services in England attempted to compare the costs of delivering Housing First versus 'treatment as usual' which was defined as 'the entire process of resettlement for long term homeless people which might include outreach services, supported housing and low intensity floating support for tenancy sustainment.'¹³⁰ The costs were based on a scattered approach. The study found that compared to low or medium intensity supported housing, Housing First is not always cheaper. However, for those people who have extremely high support needs it was. Housing First costs worked out cheaper when compared to a stay in any form of supported accommodation for nine months or more. They found that there would be savings of between approximately £4,000 (the lowest cost Housing First service) to approximately £2,600 (the highest cost Housing First service).¹³¹

The University of York's evaluation of Housing First services delivered in Camden also found that the services were slightly cheaper than the approximate average cost of funding support for ten hostel bed spaces in a hostel designed to resettle people for one year.¹³² Furthermore, the Housing First services were found to deliver better outcomes in terms of housing sustainment, health, well-being and anti-social behaviour.

128 JRF, *UK Poverty: causes, costs and solutions*, York: JRF, 2016.

129 Ibid.

130 Pleace N et al., *Housing First in England: An Evaluation of Nine Services*, York: Centre for Housing Policy, 2015. The costs were calculated using actual costs of providing support shared with the researchers by local authorities and the Housing First service providers.

131 Ibid.

132 Pleace N et al., *Camden Housing First: A Housing First experiment in London*, York: Centre for Housing Policy, 2013.

Recommendation 1: The Government should focus on Housing First as the main new area for additional investment especially for people with multiple and complex needs and set up a national Housing First programme. This will be vital in helping to end chronic homelessness and stabilising the lives of those facing the highest levels of exclusion, reducing overall government spending in the long run.

2.2 Scaling up Housing First in England

Key principles

Housing First England is a new project which has been set up to help support the development of a Housing First movement in this country.¹³³ It has established an excellent set of principles that could be used to design and commission Housing First schemes in an English context. They are based on evidence from the U.S. Pathways and Europeans model, and align broadly with the FEANSTA Housing First Guide Europe.

Housing First England's key principles¹³⁴

1. People have the right to homes
2. Flexible support is provided for as long as it is needed
3. Housing and support are separated
4. Individuals have choice and control
5. An active engagement approach is used
6. The service is based on people's strengths, goals and aspirations
7. A harm reduction approach is applied

Where possible, Housing First should be delivered through scattered sites to provide participants with a better sense of community integration and to help avoid stigmatisation.¹³⁵ Clients should be given a choice about the location and type of accommodation they live in. Moreover, the type of accommodation provided to Housing First participants should reflect those available to others in the local housing market. While permanent housing is harder to secure in the private rented sector, and therefore not an ideal housing option, there is evidence (outlined above) to show that schemes are working well with private landlords to help secure accommodation for participants. It should not therefore be ruled out as a potential housing option where there is a shortage of social housing.

Just under half (46%) of Housing First providers surveyed by Homeless Link said that securing suitable accommodation was a barrier to setting up a project in their area.¹³⁶ This is a particular challenge in areas where there is a limited supply of social housing and the demand for private rented stock is high. Outside of London and the South East,

¹³³ NB. *Housing First England* was set up in 2016. It is funded by Lankelly Chase and Comic Relief. More information can be accessed here: www.homeless.org.uk/our-work/national-projects/housing-first-england

¹³⁴ Homeless Link, *Housing First in England: The principles*, London: Homeless Link, 2016.

¹³⁵ Barnes S, *Review of Trends, policies, practices and implications of scattered site housing*, Toronto: The Wellesley Institute, 2012.

¹³⁶ Homeless Link, *'Housing First' or 'Housing Led'? The current picture of Housing First in England*, London, Homeless Link, 2015.

there are greater levels of available social housing. As outlined before, there is a much higher proportion of people who have multiple and complex needs among the homeless population in the rest of England compared to London.¹³⁷ Local authorities and housing associations should ensure that Housing First participants are given some form of priority for this housing and that past behaviour, including anti-social behaviour, rent arrears, as well as affordability checks, do not serve as a barrier to accessing this stock.

Chapter Four looks more specifically at how to increase access to affordable housing for people who have experienced, or are at risk of, homelessness. Uptake of these recommendations will be crucial in ensuring the success of a national Housing First programme.

There are several different support models that are used to deliver Housing First services. Pathways to Housing in the U.S. use an Assertive Community Treatment (ACT) model which provides participants with access to a multi-disciplinary team that offers a range of services delivered by specialist, medical practitioners. This model is more relevant in the U.S. where people who are homeless struggle to access healthcare due to the lack of universal provision. This is a much more expensive way of delivering support. By comparison, while people who are homeless in England, particularly with multiple and complex needs, are often not able to access services very effectively, there is no individual charge for these services. We would therefore recommend that Housing First projects in England adopt an Intensive Case Management (ICM) approach. The participant would have a key support worker from the Housing First project who would work with them to help coordinate access to a range of services. This could include, for example: drug and alcohol services; mental health teams; and criminal justice agencies. Another key benefit of using the ICM model over an ACT model is that it does not detract specialist support from mainstream services, which is vital in ensuring that they continue to exist and are adequately resourced to prevent homelessness among the general population.

Recommendation 2: Housing First projects in England should adopt an Intensive Case Management (ICM) approach. Participants would have a key support worker from the Housing First project which would work with them to help coordinate access to a range of services.

This approach could be broadly based on the MEAM model, which provides a non-prescriptive framework for developing a coordinated approach in local areas and has been shown to help reduce overall public spending.

The MEAM model¹³⁸

MEAM, a coalition of the charities Clinks, Homeless Link and Mind, aims to transform policy and services to improve support for people with multiple and complex needs. The MEAM approach provides a non-prescriptive framework for developing a coordinated approach in local areas. Using a navigator style support worker, MEAM aims to help people better access a range of services and promote better joined up commissioning of support packages.

¹³⁷ Bramley G et al., *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015; Mackie P et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

¹³⁸ NB. For more information see the MEAM website, *The MEAM Approach*, [Accessed via: www.themeamapproach.org.uk (23.01.17)].

Between 2010 and 2013, MEAM supported a series of pilots to explore the better coordination of existing local services for people with multiple and complex needs in Cambridgeshire, Somerset and Derby.¹³⁹

Evaluations of these pilots have shown up to a 26.4% reduction in service use costs over two years, including a significant reduction in costs associated with crime. Eighty six per cent of people supported by the MEAM model in these areas reported an improvement in their housing situation, 71% reported a reduction in drug and alcohol consumption and 57% reported better mental health.

Identifying participants for Housing First

People with the most complex needs who experience chronic homelessness should be the target of a national Housing First programme. The size of the cohort has been estimated using readily available, albeit limited, data on the homeless population and represents those in the greatest housing need, who hold the greatest potential in terms of savings for the Government.

There are currently just under 37,000 bed spaces available in England.¹⁴⁰ Given the very low void rates in hostels we estimate that this approximately represents the total number of hostel residents. To avoid underestimating this figure, particularly considering reports from hostel providers that they are turning away clients with high and complex needs, we have rounded this figure up to 40,000.¹⁴¹ Furthermore, a recent Government report estimated that there are up to 40,000 people sleeping in hostel accommodation in England each night. Homeless Link's research has identified that between 10–20% of hostel residents have complex needs and would benefit from the Housing First approach.¹⁴² Twenty per cent of the current hostel population therefore represents the upper level of need, a cohort of 8,000 people.

In addition to this cohort, we also recommend that recurrent rough sleepers who have multiple support needs should qualify for an offer of Housing First. The DCLG rough sleeper count recorded 4,134 people sleeping rough on one night in 2016.¹⁴³ This data provides a useful indication of trends, however, as a point in time count it does not necessarily capture the number of people who experience homelessness throughout the course of a year. By comparison, the London CHAIN rough sleeper monitoring data is more accurate in recording the number of people sleeping rough throughout the year. Last year outreach teams recorded 8,096 people sleeping rough on CHAIN.¹⁴⁴ This compares to only 964 people captured by the DCLG point in time count. By comparing these two figures, we can use the percentage increase (740%) to calculate the number of rough sleepers in the rest of the country; 26,406.

139 Barclay J, *Changing systems, changing lives: a brief review of the Making Every Adult Matter (MEAM) Coalition*, London: MEAM, 2016.

140 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

141 Ibid.

142 Homeless Link, *'Housing First' or 'Housing Led'? The current picture of Housing First in England*, London, Homeless Link, 2015.

143 DCLG, *Rough Sleeping Statistics Autumn 2016, England*, London: Crown, 2017.

144 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

Table 1: Number of rough sleepers recorded

	DCLG annual street counts	Number of rough sleepers throughout the course of a year (London based on CHAIN data and rest of England based on an estimate)
London	964	8,096
Rest of England	3,170	26,406

CHAIN data shows that 24% (1,987) of rough sleepers had a combination of support needs.¹⁴⁵ It should be this group that qualifies for Housing First. As outlined in the first chapter of this report, there are significant geographical variations in the levels of support needs of people who are homeless. The *Nations Apart* study found that 41% of single homeless people in the rest of England had five or more support needs.¹⁴⁶ We would therefore estimate that 10,826 rough sleepers outside of London have high support needs and would benefit from Housing First.

Table 2: Eligibility for Housing First

Hostel population	24% of the total number of rough sleepers in London throughout the course of a year	41% of rough sleepers in the rest of England throughout the rest of the year	Total
8,000	1,987	10,826	20,813

The calculation above is based on limited data so cannot be assumed to capture all those who would benefit from Housing First. The *Hard Edges* study found that there are at least 58,000 people in England facing severe and multiple disadvantage who come into contact with homelessness, criminal justice and substance misuse services. Modelling carried out by academics at Heriot-Watt University for the JRF estimated that 80% of this cohort would benefit from Housing First.¹⁴⁷ The Government should therefore design a programme aimed at between 20,800 and 46,000 people.

Given the rising trend in all forms of homelessness over the last seven years, further modelling work should be undertaken to calculate the additional flow of people who would benefit from Housing First every year. This would be best done using detailed country wide demographic data on rough sleepers, through the expansion of a CHAIN style database. In line with the data collected in London, new systems should record new rough sleepers, the number of times they were recorded sleeping rough throughout the course of a year and their level of support needs. This data could be used to estimate the annual flow of Housing First participants.

145 NB. This figure includes people recorded as having an alcohol and drug support need (359), an alcohol and mental health support need (561), a drug and mental health need (354) or an alcohol, drugs and mental health support need (713).

146 Mackie P et al., *Nations Apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014; Shelter, *Young people and homelessness (factsheet)*, London: Shelter, 2005. NB. It is difficult to directly compare the support needs record on the CHAIN database with this study. We have decided to record a higher number of needs outside of London as the *Nations Apart* study recorded lower levels of immediate need including literacy problems and exclusion or suspension from school.

147 JRF, *UK Poverty: causes, costs and solutions*, York: JRF, 2016.

How much would this cost?

The average unit cost in supported housing, including hostels, tends to be significantly higher than those in general needs housing.¹⁴⁸ A recent report from the DWP into the costs of supported accommodation found that rent for working-age claimants in specified accommodation¹⁴⁹ cost on average £173 per week.¹⁵⁰ In addition to these costs, local authorities will use their own budgets to pay for the additional support element. This normally comes from Housing Related Support funding, formerly known as Supporting People.

By comparison, the rental element of Housing First could be funded through the mainstream Housing Benefit system within LHA rates, at a much lower cost.

The second cost element of Housing First is the funding for the case worker who coordinates support. The University of York study of Housing First services in England found that the lowest cost Housing First services were £26 an hour, the mid-range service £34 an hour and the most expensive service £40 an hour.¹⁵¹ The services they evaluated used an ICM rather than an ACT model of support, closely resembling the recommendation made in this report. The average service delivered three hours of support to a client per week. Providing support at the mid-range price for three hours a week would cost £5,304 per year, per person.

For the cohort of people identified in this report (20,800–46,000), a national Housing First programme would cost between £110 million and £244 million every year. The JRF have estimated that if after two years of implementing Housing First for 46,000 people, identified as facing severe and multiple disadvantage, the Government would save £200 million per year, making this programme cost neutral over the course of a parliament.

Recommendation 3: The Government should set up a new funding pot of at least £110 million per year to deliver a new, national Housing First programme, which would be cost neutral over the course of a parliament.

Funding mechanism

There are several options that the Government could take to create a new funding pot for a national Housing First programme. The new funding mechanism must work to ensure that open ended and flexible support is provided, as well promoting better integrated services. Funding for Housing First projects in England tends to be short and insecure, putting their work in an extremely precarious position.¹⁵² Homeless Link's review of Housing First projects found that access to longer term funding was a key obstacle for projects in providing open-ended support.¹⁵³ Most projects surveyed had funding for between two and three years (29%), and just over a quarter (27%) were funded for 12

148 HCA, *Delivering Better Value for Money: Understanding differences in unit costs – Summary Report*, London: HCA, 2016.

149 NB. Specified accommodation is the term given to supported accommodation which is exempt from certain welfare changes, such as the Benefit Cap. Residents living in specified accommodation will have their rent covered by Housing Benefit rather than Universal Credit.

150 Blood I, Copeman I & Finlay S, *Supported accommodation review: The scale, scope and cost of the supported housing sector*, London: DWP 2016.

151 Pleace N et al., *Housing First in England: An Evaluation of Nine Services*, York: Centre for Housing Policy, 2015.

152 Ibid.

153 Homeless Link, *'Housing First' or 'Housing Led'? The current picture of Housing First in England*, London, Homeless Link, 2015.

months or less.¹⁵⁴ Only nine per cent were funded for more than five years. Most funding for Housing First services comes from local authorities. Only four per cent of projects were being funded from criminal justice and drug and alcohol budgets.¹⁵⁵

There have been several different funding structures used to help generate better outcomes for people with multiple and complex needs. While not an entirely new model, Payment by Results (PbR) was used much more extensively by the Coalition Government to deliver public services. While successful for the majority of people, there is evidence to show that for people who have much higher support needs, this approach has not been as effective. For example, while the Work Programme has generated good results for the main customer groups, a lack of personalised support has failed to breakdown barriers to employment for people who are homeless.¹⁵⁶ Furthermore, early reports from the PbR drug and alcohol recovery pilots launched in April 2012 have shown that overall the pilot areas were performing worse than previously, and poorly compared to the rest of England, particularly for people with complex needs and alcohol dependency.¹⁵⁷ One of the key criticisms of the PbR model is that providers are often more incentivised to work with people who have lower support needs and for whom a paid outcome is more easily achieved. Rigid outcome measures rarely account for the 'distance travelled' by an individual. This can often lead to the 'parking' of people who require greater and more specialist levels of support.¹⁵⁸ Furthermore, the lack of upfront payments for service providers has made it extremely difficult for smaller, more specialist providers to compete for contracts, leading to a lack of personalised services.

Social Impact Bonds (SIB), a variation on the PbR model, potentially provide a more effective mechanism through which to fund services for people with multiple and complex needs. A private investor provides the initial capital to run services designed to improve social outcomes. The investor then receives a return based on the success of those outcomes from national government or local authorities. The key benefits for national government or other commissioners is that they do not have to finance the initial investment, and only pay for successful outcomes. Unlike the more traditional PbR model, it is the investor, rather than the providers, who take the financial risk, allowing smaller more specialist services to bid for contracts. In 2012, the GLA commissioned St Mungo's and Thames Reach to deliver a £5 million, three-year rough sleeping SIB. The aim was to improve the outcomes for a cohort of 830 persistent rough sleepers in London. The main outcome measures centred around moving people from the street into permanent accommodation and eventually into employment.¹⁵⁹ Providing a more personalised package of support, the SIB has worked well to get people off the streets, but there have been more difficulties moving people into permanent accommodation and employment.

154 Homeless Link, *'Housing First' or 'Housing Led'? The current picture of Housing First in England*, London, Homeless Link, 2015.

155 Ibid.

156 Sanders B, Teixeira L & Truder J, *Dashed hopes, lives on hold: Single homeless people's experiences of the Work Programme*, London: Crisis, 2013.

157 Government update on the performance of the drugs and alcohol recovery Payment by Results (PbR) pilots from April 2012 to February 2013. [Accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/194007/Agenda_item_3.2_-_Pilot_data_for_publication_on_the_web.pdf (07.02.2017)].

158 Revolving Doors Agency, *Adding Value? Reflections on payment by results for people with multiple and complex needs*, London: Revolving Doors, 2015.

159 Cabinet Office, Centre for Social Impact Bonds, *London Rough Sleeping Social Impact Bond*, [Accessed via: https://data.gov.uk/sib_knowledge_box/london-rough-sleeping-social-impact-bond (23.01.17)].

An evaluation of the SIB has illustrated, if done well, the huge potential in terms of savings of a programme which moves people off the streets and into permanent accommodation for a range of government departments. They estimated that the current average cost to the public of this cohort was £37,000 per person over five years.¹⁶⁰ For the 830 people targeted by this SIB, this would equate to £30 million over a five-year period if optimum outcomes were achieved, far higher than the original £5 million investment. These savings are split across criminal justice, health, employment, rough sleeping costs (outreach work) and accommodation costs.¹⁶¹

Another funding option would be to top slice a proportion of the projected savings from key departments to fund annual costs. In the long run, stabilising the lives of this group has the potential for significant cost savings from a range of departments including the DH, the MoJ, DCLG and the DWP.

Funding should be devolved to local authorities and ring-fenced specifically to commission Housing First services. We would recommend that services are commissioned using an alliance commissioning structure. There would be no prime provider of the service. Rather, several different agencies (including for example, mental health services, criminal justice agencies, substance and alcohol treatment services) would have to make a joint bid to run a Housing First project. Funding would be used to appoint navigators to help participants access accommodation and services. This structure of commissioning would help to incentivise better integration of services.

Monitoring and evaluation

A key problem across the homelessness sector to date has been the lack of monitoring structures put in place to evaluate the effectiveness of interventions, particularly with regards to hostel accommodation. To ensure that the national Housing First programme is delivered more efficiently, and achieves the aim of ending homelessness for those who face the greatest barriers to housing, it must be accompanied by a national outcomes framework. The principle outcome should be tenancy sustainment. Projects should also be required to measure wellbeing outcomes, including stabilisation and reductions in alcohol and drug intake and stabilisation and improvement of mental and physical health. These measures will make it easier for local projects to demonstrate the cost savings of the schemes (particularly with regards to reduced pressure on health services and the criminal justice system). This will be vital in ensuring long term funding for the national programme. Monitoring the cost savings across health and justice has been an important element in encouraging municipalities in Denmark to commission Housing First services.¹⁶²

There should be a degree of local flexibility built into the outcomes framework to allow for success to be measured most accurately. For example, while tenancy sustainment should be an overarching measure, local projects should be allowed to determine what success looks like based on the local housing market. For example, success might look different in an area where projects are predominantly housing people in the private rented sector, where tenancy lengths are much shorter than in social housing.

¹⁶⁰ Ibid.

¹⁶¹ Centre for Social Impact Bonds' website, *Greater London Authority: Homelessness*, [Accessed via: https://data.gov.uk/sib_knowledge_box/greater-london-authority-homelessness (23.01.17)].

¹⁶² Based on interviews with stakeholders in Denmark on Housing First.

Next steps for Government in implementing Housing First

The shift toward a housing led approach and the implementation of a national Housing First programme to tackle rough sleeping and chronic homelessness would mark a significant transformation in the way that homelessness services are designed and delivered in England. We are not, however, arguing that the current model should be entirely replaced.

This approach holds the potential to dramatically reduce rising levels of homelessness, but will require a significant culture change across the sector. To manage the associated costs of retraining staff and setting up services etc. we recommend that the Government implements a staggered transition to a national Housing First programme over a five-year period. This will provide a more realistic time frame to meaningfully embed key principles across the sector as well as evaluate the implementation of the programme and the suitability of funding mechanisms, helping to ensure long term success.

In order to implement a national Housing First programme, we recommend that the Government takes the following steps:

- 1. Improve homelessness data collection to provide a more accurate calculation of the total number of people who would currently benefit from participating in a national Housing First programme and the future flow of participants.** More in depth modelling work should be conducted using detailed demographic data on rough sleepers. This would be done most effectively through the national roll out of a London CHAIN rough sleeper style database.
- 2. Launch a staggered implementation of a national Housing First programme over a five-year period.** Based on the figures set out in this report, the Government should scale up the implementation of Housing First for between 20,800 to 46,0000 participants over a five-year period. We would recommend that the Government focuses the initial implementation in areas where there are high numbers of people with multiple and complex needs, including central London boroughs, seaside towns and northern cities.¹⁶³
- 3. Evaluate the impact of schemes during the roll out period.** Given that the systems surrounding people who are homeless are complex and continually changing, scaling up the Housing First model should be underpinned by a deep and collaborative learning process that enables continual development and adaptation to be built into the model. The evaluation should focus on assessing the most appropriate funding model, wellbeing and tenancy sustainment outcomes and the impact on the current hostel system (including the impact on future funding). Evaluation tools should also be put in place to assess the cost effectiveness of the Housing First approach compared to the traditional hostel model. It would not be suitable, at this stage, to use a SIB to fund Housing First due to a lack of data on the appropriate outcome measures, although modelling the feasibility of using this mechanism to fund the programme once it is fully running should be considered.

¹⁶³ Bramley G, et al., *Hard Edges: mapping severe and multiple disadvantage*, London: Lankelly Chase Foundation, 2015.

2.3 Improving the hostel system

The national Housing First programme would not only benefit participants, but would improve services for residents within the existing hostel system. While people with higher support needs face barriers to accessing hostel accommodation, there are also reports of a lack of appropriate support for people with lower needs.¹⁶⁴ Evidence taken as part of this project suggests that hostel staff spend a disproportionate amount of time managing the behaviour of people with high and complex needs, often to the detriment of more meaningful one-to-one support work for others to end their homelessness. Furthermore, in the last year, 47% of homelessness accommodation projects reported a reduction to their funding.¹⁶⁵ Nearly half of these said this resulted in reduced front-line capacity, which led to a decrease in the support offered, particularly around meaningful activities.¹⁶⁶

Making an offer of Housing First to residents with the most complex needs would help reduce the high demand on existing hostel services. The Government is currently consulting on the future funding for supported accommodation, which includes hostel accommodation. From 2019/20 the Government have proposed that core rents and service charges should be funded through Housing Benefit or Universal Credit at the LHA rate (this will be above the Shared Accommodation Rate).¹⁶⁷ For other associated costs, central government will devolve funding to local authorities who will be able to select which projects to top up. Funding levels have been calculated based on future need and will be ring-fenced. This proposal closely resembles the CSJ's recommendation.¹⁶⁸

The CSJ recommends that the level of funding devolved to local authorities for associated costs above the LHA rate should remain in line with Government's current proposal, alongside additional funding to scale up Housing First. This will provide staff with greater flexibility to deliver services using some of the key Housing First principles to help improve the outcomes for hostel residents. For example, staff would be able to work with residents on a more one-to-one basis. Local authorities should use additional funding to commission longer contracts to allow providers greater security and the ability to engage in longer-term planning without the disruption and cost of frequent retendering.

Recommendation 4: The level of funding devolved to local authorities for the associated costs above the LHA rate should remain, alongside additional funding to scale up a national Housing First programme. This would enable hostels to undertake more meaningful work with people who have lower support needs and more effectively work to end their homelessness.

For hostel funding to remain at the current proposed levels going forward, Government should bring in a national outcomes framework to monitor the work of hostels to ensure that they help to move people on from homelessness and deliver good value for money. Outcomes should principally be focused on move on rates and the proportion of clients resettled sustainably, although regional variations on the detail of this outcome should be incorporated to account for the difficulties accessing affordable accommodation in

164 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

165 Ibid.

166 Ibid.

167 Rt Hon Damian Green MP, *Housing Benefit: Written statement- HCWS154*, September 2016 [Accessed via: www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-15/HCWS154/].

168 Winterburn M, *Home Improvements, a social justice approach to housing policy*, London: Centre for Social Justice, 2016.

some areas of the country. To date, there has been very little monitoring or evaluation of the effectiveness of hostels. Recent DWP research into the future funding of supported housing found that stakeholders were in support of a 'more consistent approach to regulating supported housing and monitoring quality and value for money, especially in England'.¹⁶⁹ While we would not recommend that hostels should work on a PbR basis (for the reasons outlined above), building national monitoring requirements into contracts would provide local authorities with a much better sense of their effectiveness. This measure would also incentivise hostels to be more outcomes-focused when designing the delivery of their service.

Recommendations 5: The Government should introduce a national outcomes framework for hostels, with flexibility to allow for regional variations. National monitoring requirements should be built into the contracts held to allow local authorities to more closely evaluate the effectiveness of hostel accommodation at moving people on from homelessness.

2.4 Rapid rehousing for people with nowhere safe to stay

Under the current legislation, applicants that local authorities consider likely to be owed the main homelessness duty are entitled to temporary accommodation until they have carried out their full assessment. Furthermore, local authorities are required to accommodate households who are owed the duty in temporary accommodation until they make them an offer of settled housing. This provides a vital safety net to prevent homeless households from finding themselves without a roof over their head.

No such provision exists for households who are deemed not to be in priority need, even if they have no other option than to sleep rough. Recent research carried out by St Mungo's found that 33 of the 40 rough sleepers they interviewed had slept rough the night after asking a council for help because they were homeless.¹⁷⁰ In 2015/16, half of 672 UK nationals who used the London No Second Night Out (NSNO) service had asked councils for help in the 12 months before they started sleeping rough.¹⁷¹

The new prevention and relief measures outlined in the Homelessness Reduction Bill would place a much stronger duty on local authorities to help all eligible homeless applicants, regardless of priority need status. Yet, there still exists a gap with regards to providing single homeless people with emergency accommodation when they have nowhere safe to stay.

No First Night Out (NFNO) is a tri-borough 18-month project, working across Tower Hamlets, Hackney and The City of London funded by the GLA. The aim of the project is to explore new approaches to prevent people rough sleeping for the first time and ensure that those already rough sleeping are able to access housing in the area where they have a local connection.¹⁷² The project includes a rapid intervention Housing Options and outreach

169 DWP & DCLG, *Supported accommodation review: The scale, scope and cost of the supported housing sector*, London: Crown, 2016.

170 St Mungo's, *Nowhere safe to stay: the dangers of sleeping rough*, London: St Mungo's, 2016.

171 Ibid.

172 Rice B & Reed L, *No First Night Out – help for single homeless people (interim report)*, London: London Boroughs of Tower Hamlets & Hackney & the City of London, 2016.

Housing Options and advice service.¹⁷³ An important element of the pilot is the collection of detailed data from people who use the service and information on their journey into homelessness. Using this data, the borough has been able to create typologies of new rough sleepers, which have been used to determine the most appropriate response to end their homelessness. This could include, for example, Housing First for people who have multiple and complex needs, rapid rehousing into permanent accommodation for people with lower support needs, or emergency accommodation in a hostel.

Recommendation 6: Building on the success of this pilot, DCLG should work with other local authorities to help scale up No First Night Out. More detailed data collection and information on their journey into homelessness will better equip local authorities to determine the most appropriate response for new rough sleepers to end their homelessness and rapid access to accommodation.

2.5 Improving data collection

Improved data collection and linking would provide a much better understanding of pathways into homelessness, people's journey through the system and the effectiveness of interventions. This has the clear advantage of ensuring that services are high performing and provide the best value for money.

Building the evidence base

It is currently extremely difficult to track a person's pathway through different services, including for example, housing, social services, health, criminal justice and the benefits system. There has been a considerable amount of work done in the U.S. to merge administrative data sets across a range of agencies. This has two main advantages: 1) it provides a much better sense of whether a person's homelessness has or has not been resolved; and 2) it allows for a much more accurate calculation of the costs of homelessness.¹⁷⁴ In the U.S. this data has helped build the case for scaling up Housing First.

In a time where there is increased pressure to deliver public services with more limited resources, greater evaluation of the effectiveness of services is paramount. A similar approach to that taken in the U.S. would allow us to gather data more easily and scale up evidenced based interventions, leading to smarter and more efficient commissioning. In addition to collecting raw data, more evidence from service users on their experience should be taken. A recent report examining how a Homelessness Impact Centre could be set up in Scotland,¹⁷⁵ provides a useful model for considering how a similar approach could work in England.

173 GLA, *Rough Sleeping Commissioning Framework*, London: GLA, 2015.

174 Pleace N, et al., *Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England*, London: Crisis, 2016.

175 Teixeira L, *Ending homelessness faster by focusing on 'what works, Towards a world-leading centre for homelessness impact, Outline business case and feasibility study*, 2017, [Accessed via: [www.crisis.org.uk/data/files/publications/160119CHI_Final_double_page%20\(002\).pdf](http://www.crisis.org.uk/data/files/publications/160119CHI_Final_double_page%20(002).pdf) (07.02.2017)].

Recommendation 7: DCLG should set up a Homelessness Impact Centre to evaluate the effectiveness of services in England. The Centre should develop outcome matrices to help homelessness services and a range of services across government departments audit the number of homeless people they work with and the outcomes achieved. Capturing data from across services would allow for large scale data merging. The Centre should also evaluate service user experiences of homelessness services.

This report outlines several areas where data and evaluation could be improved. As a priority, the Centre should focus on developing:

- a national outcomes framework for hostels;
- a national outcomes framework for Housing First; and
- scaling up a CHAIN-style database across England (outlined below in more detail).

Expansion of a CHAIN style database throughout the country

As outlined, the DCLG point in time counts of rough sleepers do not capture the true scale of the problem, but are useful in terms of indicating trends over time and across regions. The London CHAIN rough sleeper monitoring database is more accurate in recording the number of people who sleep rough throughout the course of a year and provides more detailed demographic information on rough sleepers and their reasons for becoming homeless. This type of information is vital in enabling local authorities to design the most effective services.

Recommendation 8: DCLG should support and help facilitate the expansion of a CHAIN-style database to other parts of England. This should focus particularly on cities with growing numbers of rough sleepers where street outreach teams operate.

chapter three

Preventing homelessness more effectively

Both statutory and non-statutory responses to homelessness are too often predicated on crisis and geared towards providing an emergency response. While it is imperative that we retain an emergency safety net to ensure that people can access services at pace when they most need them, a better set of mechanisms and services must be put in place to identify the risk of homelessness for individuals and prevent it occurring at a much earlier point. This is essential to reducing both the personal and financial costs of homelessness.

3.1 Reforming the homelessness legislation

Most single people will not qualify for the main homelessness duty (an offer of permanent housing) under the homelessness legislation because they will not be assessed as in priority need. As outlined in Chapter One, they are only eligible for advice. Too often the advice provided is very poor and fails to prevent or resolve their homelessness.¹⁷⁶ Even for those households that do qualify, action is often not taken early enough to prevent them from losing their home. Families are then placed in expensive and unstable temporary accommodation until an offer of permanent housing can be made.

Scotland and Wales have introduced new homelessness legislation which has sought to address the lack of statutory protections for people who are not assessed as in priority need and the weak with an emphasis on homelessness prevention.

Welsh homelessness legislation

In 2011, the Welsh Government commissioned an independent review of the effectiveness of the current homelessness legislation.¹⁷⁷ It raised concerns about the use of the Housing Options approach, which led to unlawful 'gatekeeping', as well as a lack of meaningful assistance provided to single applicants who did not qualify for the main homelessness duty. The Welsh Assembly subsequently passed the Housing (Wales) Act (2014), which came into effective in April 2015. The new legislation brought in the following measures:

¹⁷⁶ Dobie S, et al., *Turned Away: The treatment of single homeless people by local authority homelessness services in England*, London: Crisis, 2014.

¹⁷⁷ Mackie P, Fitzpatrick S, Stirling T, Johnsen S and Hoffman S, *Options for an improved homelessness legislative framework in Wales*, Cardiff: Welsh Government, 2012.

- **a new prevention duty**, which requires local authorities to demonstrate that they have taken reasonable steps to help prevent an applicant's homelessness. The duty applies to all eligible applicants, irrespective of their priority need, intentionality or local connection status. The legislation also extended the definition of threatened with homelessness from 28 to 56 days providing local authorities with a longer and more realistic time frame to carry out prevention work;
- **a new relief duty**, which requires local authorities to demonstrate that they have taken reasonable steps to help an applicant secure accommodation if they are already homeless, or they fail to prevent their homelessness. This duty also applies regardless of priority need status and intentionality, but local connection criteria can be applied if the applicant is likely to be in priority need; and
- **the main homelessness duty**, remains in place for households that are deemed to be in priority need and whose homelessness has not been resolved via prevention or relief activities. There is a co-operation clause within the new legislation which requires households to engage with prevention and relief work. If they do not, they risk losing their entitlements under the main homelessness duty.

Scottish homelessness legislation

A major amendment in the Homelessness etc. (Scotland) Act (2003) abolished the priority need criteria altogether. This came into effect at the end of December 2012. The new legislation brought in the following measures:

- a duty to find settled accommodation for all eligible applicants who are unintentionally homeless; and
- a duty on local authorities to house households in temporary accommodation while their homelessness application is being assessed.

In preparation for the abolition of priority need, the Scottish Government began promoting prevention measures far more strenuously to reduce statutory demand.

While Scotland arguably has some of the most progressive homelessness legislation in the world, there is evidence to suggest that some of the problems with the English system continue to prevail, particularly with regards to prevention. Since 2010/11 the number of people making a homelessness application in Scotland has dropped substantially from 55,646 to 34,662 in 2015/16.¹⁷⁸ This drop can largely be attributed to the introduction of Housing Options, which places a heavier emphasis on prevention. However, a report from the Scottish Housing Regulator was particularly critical of the practical implementation of prevention work, and it is expected that non-statutory guidance will be issued as a result.¹⁷⁹ Studies have shown that where prevention activity takes place, there is a lack of consistency between actions and outcomes.¹⁸⁰ As in England, the Scottish experience, despite the progressive ambitions of the legislation, highlights the problems of not creating stronger statutory prevention duties.

In Wales, while the legislation has only been in place for just under two years, it is working well to help prevent homelessness and reduce the number of people who require assistance

¹⁷⁸ Office for National Statistics (ONS), *Homelessness in Scotland: 2015/16*, London: ONS, 2016.

¹⁷⁹ Fitzpatrick S, Pawson H, Bramley G, Wilcox S and Watts B, *The homelessness monitor: Scotland 2015*, London: Crisis, 2015.

¹⁸⁰ Mackie P & Thomas I, *Single homelessness in Scotland*, London: Crisis, 2016.

under the main duty. In the first year since the legislation was enacted there has been a 69% decrease in the number of households owed the main duty. In the first year, 7,128 households have been provided with prevention assistance, of which 4,599 (65%) had a successful outcome.¹⁸¹ There has also been an 18% reduction in the number of households going into temporary accommodation, although a proportion of this reduction is likely due to the declassification of prisoners as a priority need group.¹⁸² By comparison to the Scottish system, legislation has led to a transformative shift in the approach of local housing and homelessness teams. Reports suggest they have undergone a significant cultural change in terms of the delivery of services and a successful re-orientation towards homelessness prevention and rapid re-housing.¹⁸³

Recommendation 9: The homelessness legislation in England should be amended to create new prevention and relief duties that would be blind to priority need status. Moreover, the period that someone would be considered to be threatened with homelessness should be extended from 28 to 56 days. Based on the Welsh experience, this would help reduce the numbers of people for whom local authorities are required to make an offer of permanent accommodation and house in expensive temporary accommodation.

The Welsh model has clearly shown the potential for this new legislation to reduce the number of people who progress to the main homelessness duty and for whom the council must house in temporary accommodation and make an offer of settled housing.

Recommendation 10: As, over time, the number of households requiring assistance under the main homelessness duty declines, government should amend the legislation further to make the main homelessness duty applicable to all eligible applicants who have a local connection, regardless of priority need status. This would create a truly universal model of support and entitlement for all homeless households.

To support local authorities to implement the new legislation in Wales, the Welsh Assembly provided additional transitional funding of £5.6 million in 2015/16 and a further £3.2 million in 2016/17, to help support local authorities to develop prevention services.¹⁸⁴ Similar funding commitments should be made by the Government in England to enable councils to develop their services and meet their duties under the new legislation.

The CSJ does not wish to see the ambition of the legislation watered down because of funding limitations, particularly given the significant savings that the legislation would bring for government. Research commissioned by Crisis has estimated that public spending would fall by £370 million if 40,000 people were prevented from experiencing one year of homelessness, based on an average estimated reduction in public spending of £9,266 per person, per year.¹⁸⁵

181 Welsh Government, *Homelessness in Wales, 2015–16: Statistical First Release*, Cardiff: Welsh Government, 2016.

182 Mackie P, *Homelessness prevention and rapid re-housing: reflecting on a year of pioneering Welsh legislation in practice*, (forthcoming).

183 Ibid.

184 Griffiths L., *Written statement, Additional transitional resources to Welsh local authorities – Housing (Wales) Act (2014)*. [Accessed via: <http://gov.wales/about/cabinet/cabinetstatements/2015/housingactadditionalresources/?lang=en> (17.2.2017)].

185 Pleace N, et al., *Better than Cure? Testing the case for enhancing prevention of single homelessness in England*, London: Crisis, 2016.

Improving the monitoring and enforcement of the homelessness legislation

Effective implementation will be key to ensuring that the new legislation works to better prevent and relieve homelessness for more people. For those who are eligible for the main duty, there is a clear incentive for local authorities to prevent homelessness at an earlier point to avoid high costs of temporary accommodation and an offer of settled accommodation at a later stage. The same incentive does not exist for those who are not eligible for the main duty. Creating stronger prevention and relief duties does, however, provide applicants with greater recourse to legally challenge the actions of local authorities if they believe that they have failed to meet their duties.

We anticipate that a new Code of Guidance, to help local authorities implement their new duties, would be published. There are several other measures that the Government should consider to ensure that prevention and relief work is robust and effective. The Government's Homelessness Prevention Trailblazer fund aims to help local authorities develop innovative methods to prevent homelessness.¹⁸⁶ Local authorities will work closely with the Government to evaluate the success of these interventions. Building on this good work, the Government must require data collection from all local authorities on the new prevention and relief duties. This data should include information on the types of households that are assisted, the nature of the intervention and long-term outcomes. Local authority data collection systems should allow for each individual household to be tracked via a personalised identification number to provide a much better sense of the effectiveness of a range of interventions. This would also allow councils and national government to more effectively track repeat homelessness across a range of services.

Recommendation 11: DCLG must publish data on prevention and relief work undertaken by local authorities to the same level of detail as the current statutory homelessness statistics. Households who approach their local authorities for homelessness assistance should be assigned a personal identification number to track them through their homelessness journey.

While the new statutory duties will require local authorities to take reasonable steps to prevent someone from becoming homeless and help them find a new home, the Homelessness Reduction Bill is not overly prescriptive about the measures councils should take to meet these duties, although examples of how this could be done are included on the face of the Bill. To ensure that a high quality service is provided across the country, the CSJ recommends that the Government creates an inspectorate for local authority housing and homelessness services.

Recommendation 12: DCLG should establish an inspectorate of local authority housing and homelessness services to ensure that prevention and relief work is robust across England.

¹⁸⁶ DCLG, *Homelessness Prevention Trailblazers 2016/20*, London: DCLG, 2016.

3.2 Creating a cross-government strategy on ending homelessness

The homelessness legislation provides an important legal safety net to thousands of people every year and, if the proposed changes outlined above are passed by Parliament, protections could be extended to a much wider cohort of people at a much earlier stage. There is much more, however, that could be done by the voluntary sector, local authorities and other statutory agencies including the police, NHS, probation teams and social services to identify groups who are more likely to face homelessness and equip them with sufficient resources to reduce this risk.

Preventing homelessness requires a cross-government approach. Homelessness policy sits within DCLG, but is heavily influenced by the Home Office, the DWP, the DH, the MoJ, MoD, the Department for Education (DfE) and the Treasury. Other government departments are also much more likely to be in contact with someone when they are at risk of, but have not yet become, homeless, and therefore play a potentially vital role in preventing homelessness.

There is currently a Ministerial Working Group on Preventing and Tackling Homelessness, which is led by DCLG. While the group has produced some very worthwhile initiatives, including the Making Every Contact Count strategy, there has been a lack of clear objectives and difficulties implementing initiatives across other departments.

For a cross-government strategy to work it is essential to have strong leadership, which has the authority to set objectives that individual departments must meet within a specified timeframe. Embedding robust housing and homelessness strategies across government departments would mark a significant step forward in helping prevent and end homelessness. However, it is very difficult for one department alone to embed systematic change right across government.

Recommendation 13: A Prime Ministerial Taskforce should be set up, which has the very clear objective of developing and embedding housing and homelessness strategies across the Treasury, DWP, DH, MOJ and DfE. The Taskforce should be accountable to No. 10 and there should be a specified timeframe within which this should be achieved. This would provide the level of authority and accountability required to be effective.

The CSJ recommends that during this period, departments should be required to audit existing policies to assess their impact on homelessness and design a strategy to identify people most at risk as well as putting clear measures in place to reduce rising levels of homelessness. Recommendations on how departments can better prevent homelessness are outlined in this Chapter.

3.3 Developing local accountability within the context of devolution

In addition to a strong cross-government strategy, we need to ensure that mechanisms and accountability exist at a local level to provide a strategic and joined up response to homelessness. Devolution presents an unique opportunity to ensure that local authorities across a region can do this.

New devolution deals in England mark a fundamental change to the way that local services are delivered with the transfer of money and decision making power from national to local government. A key aim of devolution is to enable councils to work more effectively together to improve public services and ensure that they are better targeted, as well as developing strong partnerships between public, private and community leaders.¹⁸⁷ There is also increased potential to involve the homelessness sector and experts by experience in service re-design and closer partnership working. Pan-local authority working has the potential, for example, for councils to suspend local connection criteria across a devolved region. The failure to meet local connection criteria too often serves as a barrier to people getting support from a local authority to end their homelessness. Removing this restriction will enable applicants to gain assistance and access to temporary and permanent accommodation across the devolved region. Furthermore, pooling of homelessness budgets across authorities enables commissioning of much more specialist services.

There are already some fantastic examples of joint pan-local authority working. The GLA rough sleeper commissioning framework provides specialist services across the capital as well as ensuring that they are more effectively coordinated. Greater Manchester also have a well-established Housing Needs Group of homelessness leads who come together to deliver combined action on homelessness and respond with one voice to consultations and compile joint funding bids. They have recently been successful in securing a pan-Greater Manchester bid for the DCLG Homelessness Prevention Trailblazer funding. It should be noted, however, that this has been achieved based on engagement, rather than devolved powers. The Greater Manchester Housing Needs Group have asked for further powers under the next stage of the Greater Manchester Devolution Deal.

Recommendation 14: Local authorities should strongly consider the role that devolution deals could play in helping to provide a better joined up and effective response to preventing and tackling homelessness, especially through involving the homelessness sector, housing providers and people with lived experience in any resulting partnerships and process.

Devolution deals might also contain a requirement for a new regional or county mayor. These mayors should have the power to join up complementary agendas through control over, for example, health, criminal justice and skills and work. This would present them with the opportunity to combine services and promote shared service delivery. They would also be able to agree a single policy and practice across a sub-region, allowing services to be scaled up, which, based on economies of scale, would have potential cost savings for the region.

With these new powers and scope to deliver better joined up services, new mayors should seek to commit to end homelessness or rough sleeping over a set number of years in the devolved region. They would also have the power to create a pan-authority funding pot for homelessness. They should play an important role in bringing local authority leads on homelessness together and holding them to account.

¹⁸⁷ Local Government Association (LGA), *Don't be left in the dark- Devolution questions answered*, London: LGA, 2016.

Recommendations 15: New regional mayors should seek to join up complementary agendas including, for example, health and criminal justice, to ensure a more strategic approach to preventing and tackling homelessness at a local level. They should play an important role in bringing local authority leads on homelessness together and holding them to account. With these powers, new mayors should set targets to end homelessness or rough sleeping over a specific period in the devolved region.

3.4 The role of Universal Support

The introduction of Universal Credit marks the most transformative change to the British welfare system for decades. The policy, which was heavily influenced by the CSJ's *Dynamic Benefits* report, will provide a simplified benefit system that will ensure work always pays by encouraging progression into employment.¹⁸⁸ Under Universal Credit there will be no limit on the number of hours that a claimant can work, and payments would gradually reduce as earnings increase. The six main working age benefits – income-based Jobseeker's Allowance; income-related Employment and Support Allowance; Income Support; Child Tax Credit; Working Tax Credit; and Housing Benefit – will be combined into one, single, monthly payment and paid directly into a claimant's bank account. Full roll-out of Universal Credit began in April 2014 and is expected to be completed by March 2022. It is estimated that it will affect three million households.¹⁸⁹

In 2013, the DWP published the Local Support Services Framework setting out how services for those who need extra help to access Universal Credit will be delivered at a local level. This programme of work is now known as Universal Support. The aim is to integrate digital and financial inclusion to aid the transition between welfare and work. This is likely to be led by local authorities in partnership with the voluntary sector and social housing providers.

Universal Support trials were carried out across the UK in September 2014/15 and focused on supporting claimants with digital and financial skills. The trials provided evidence to support assumptions around the complexity of problems faced by many claimants, the importance of providing joined up services and the potential success of addressing claimants' multiple needs in the long term.¹⁹⁰

Universal Support provides a unique opportunity for engagement with households at greatest risk of homelessness. By taking advantage of the moment people enter the welfare system, or transition onto Universal Credit, local authorities and partners can assess support needs. Claimants can then be connected to the services they need to overcome issues including, for example, addiction, mental health, debt and family instability, all of which can be key triggers of homelessness.¹⁹¹ Given the important role of stable housing in helping individuals gain sustained employment, it is essential that addressing the risk of homelessness should be built into the Universal Support framework.

¹⁸⁸ CSJ, *Dynamic Benefits*, London: CSJ, 2009.

¹⁸⁹ CSJ, *The Case for Strengthening Universal Credit Work Allowances*, London: CSJ, 2016.

¹⁹⁰ CSJ, *Next Steps for Universal Support in Universal Credit*, London: CSJ, 2016.

¹⁹¹ *Ibid.*

Recommendation 16: The DWP should ensure that homelessness is incorporated into a holistic Universal Support programme. On day one of an applicant's claim, Job Centre Plus should assess someone's risk of homelessness so that associated needs and trigger factors are addressed as quickly as possible.

Beyond budgeting and financial literacy work, households should be asked whether they have previously experienced homelessness and how future risk can be minimised. Where appropriate for example, tenants at risk of homelessness could be referred to a tenancy support team within the council or a social lettings agencies (recommendations on the expansion of social lettings agencies are outlined in Chapter Four). They should also be made aware of other services offered by the council including family mediation and drug and alcohol counselling, or connect them with voluntary services in the area that provide this support.

A recent roundtable held by the CSJ with stakeholders in the voluntary sector and local authorities delivering Universal Support found that the personalised case work style approach was most effective in creating bespoke services to meet an individual's needs.

Recommendation 17: The DWP should ensure that sufficient funding is provided to local authorities to assign claimants with a lead caseworker who can assess someone's risk of homelessness, identify key needs and help guide them through a range of services.

Lead caseworkers should also ensure that tenants are made aware of Discretionary Housing Payments (DHPs). This is particularly the case for private rented tenants who are much less likely to access DHPs than those living in social housing,¹⁹² despite the loss of a home in the private rented sector remaining the leading cause of homelessness.¹⁹³ While we understand the potential reluctance of local authorities to publicise DHPs for fear of demand exceeding the available pot, these funds play an important role in preventing homelessness and reducing the much higher costs incurred by local authorities if a household does become homeless.

Recommendation 18: Lead caseworkers should ensure that DHPs are better advertised to private rented tenants to help prevent homelessness.

3.5 Interventions for groups that are more likely to become homeless

There are some very easily identifiable groups of people who are overrepresented within the homeless population. As mentioned earlier in the report, there is a significant correlation between cohorts of people who are more likely to experience homelessness and time spent in some form of institution. These include, prison leavers and care leavers.

192 DWP, *Use of Discretionary Housing Payments Analysis of annual financial and monitoring returns from local authorities*, London: DWP, 2014.

193 DCLG, *Live tables on homelessness*, Table 774.

The increased risk for these groups is recognised in the homelessness legislation, which makes provision for people who are more vulnerable due to time spent in an institution (including the armed forces, prison or the care system) to be considered in priority need, therefore qualifying for the main homelessness duty.

Prison leavers

People who have been in prison are significantly overrepresented in the homelessness population. Homeless Link found that 23% of people using homelessness accommodation projects in England are prison leavers or ex-offenders.¹⁹⁴

Almost a third of people recorded sleeping rough have experience of serving time in prison.¹⁹⁵

A Crisis commissioned study found that at some point during their lives, 41% of single homeless people have served a prison sentence.¹⁹⁶

Lack of stable accommodation for ex-offenders has a significant impact on recidivism rates. The last substantial piece of research on this issue, conducted by the Social Exclusion Unit in 2002, found that stable accommodation can make a difference of over 20% in terms of reducing reconviction.¹⁹⁷ They also found that up to a third of prisoners lose their housing due to imprisonment. A 2014 MoJ report found that one in five prisoners surveyed had no accommodation to go to upon release and 15% reported being homeless shortly after release.¹⁹⁸ Sixty-three per cent of prisoners reported that having somewhere to live was an important factor in preventing reoffending.¹⁹⁹

The provision and delivery of probation and rehabilitation services has undergone significant restructuring following the introduction of the Offender Rehabilitation Act (2014). The Transforming Rehabilitation strategy gave Community Rehabilitation Companies (CRCs) responsibility for providing supervision and rehabilitative services to low and medium risk offenders, including those discharged from short custodial sentences.²⁰⁰ These services are delivered using a PbR model. The public-sector probation service continues to manage service users who pose a high risk of serious harm.²⁰¹ The new strategy is designed to provide a 'through the gate' service to people leaving prison, focusing particularly on issues including accommodation and employment.

A recent joint report from the HM Inspectorate of Probation and HM Inspectorate of Prisons raised concerns about the new strategy.²⁰² Despite over two thirds of prisoners interviewed reporting that they needed help with accommodation, they found that there was an absence of resettlement targets for prisoners and a significant proportion

194 Homeless Link, *Support for single homeless people in England, Annual Review 2016*, London: Homeless Link, 2017.

195 GLA, *Chain Annual Report 2015/16*, London: GLA, 2016.

196 Mackie P et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

197 Social Exclusion Unit, *Reducing re-offending by ex-prisoners, Summary of the Social Exclusion Unit report*, London: Crown, 2002.

198 Ministry of Justice (MOJ), *Prisoners' experience of prison and outcomes on release: Waves 2 and 3 of SPCR*, London: MOJ, 2014.

199 Ibid.

200 Clinks' Website, *Introduction to Transforming Rehabilitation*, [Accessed via: www.clinks.org/criminal-justice-transforming-rehabilitation/what-transforming-rehabilitation (18.01.17)].

201 Ibid.

202 HM Inspectorate of Probation and HM Inspectorate of Prisons, *An Inspection of Through the Gate Resettlement Services for Short-Term Prisoners*, London: Her Majesty's Inspectorate of Probation, 2016.

of prisoners were leaving prison without accommodation.²⁰³ While the CRCs are not required to provide housing, there is an expectation that they should be taking steps to help prisoners find accommodation.

An increasing shortage of affordable accommodation, in addition to the difficulty that prisoners experience in finding landlords who are willing to let to them is creating a homelessness crisis among the prisoner population. Last year there were press reports that HMP Bronzefield was releasing female prisoners with tents because there was no accommodation available for them.²⁰⁴

Joanne Drew, Director of Housing, NACRO

'Housing is a critical part of resettlement for individuals leaving custody. At a time when accessing affordable housing is a real challenge for much of the population the plight of an offender is fraught with barriers. The chronic lack of social and affordable private rented housing, the inevitable local authority gatekeeping approach, the expectations of private landlords who require deposits, admin fees, credit checks and references. For many, being released from prison is a time of anxiety. To face these barriers to housing is beyond what many can cope with despite the resettlement advice that is provided. Yet without a home, without an address – the path to employment is much harder if not impossible. Without employment, the potential for re-offending and recall into custody is multiplied.'

NACRO service user

'A place to call home is simply the difference between a chance to turn your life round or not.'

It is vital that key government departments that interact with groups of people most at risk of experiencing homelessness must have housing and homelessness strategies built into their plans. More specifically for this cohort, due to the severity of the problem, we recommend that the MoJ set up a new inquiry into the offender population and homelessness to help develop this strategy.

Recommendation 19: The MoJ should set up a new inquiry into the offender population and homelessness, with the aim of investigating the scale of the problem and embedding a robust housing and homelessness strategy within the department and across criminal justice services including the National Offender Management Service and CRCs.

In the shorter term there are measures that would help to reduce the likelihood of someone becoming homeless when they leave prison. Currently, a prisoner serving a custodial sentence can claim Housing Benefit if they are going to be released within 13 weeks. A prisoner on remand can claim Housing Benefit for up to 52 weeks. For people on remand or serving shorter custodial sentences this can provide a vital lifeline to help retain a tenancy. Under Universal Credit, however, Housing Benefit will only be paid to people on remand for up to six months.

²⁰³ Ibid.

²⁰⁴ The Independent, 'HMP Bronzefield: Women given tents instead of accommodation when leaving London prison, inspection reveals', April 2016 [Accessed via: www.independent.co.uk/news/uk/home-news/hmp-bronzefield-women-given-tents-instead-of-accommodation-when-leaving-london-prison-inspection-a6981926.html (18.01.17)].

Recommendation 20: The DWP should ensure that people on remand are still able to claim Housing Benefit for up to 52 weeks to help them retain their tenancy if they are in receipt of Universal Credit.

Currently, there is a lack of transparency and understanding within prisons as to whose responsibility it is to help prisoners find housing upon release. While prison staff remain responsible for assessing the immediate needs of offenders in custody, CRCs then use this assessment to help develop the plans.²⁰⁵ The resettlement package should include help for offenders to find accommodation upon release. While the CRCs report on reoffending rates, statistics on the success they have in terms of helping people into settled accommodation are not recorded.

Recommendation 21: The MoJ should require CRCs to publish statistics on the number of prisoners who are released into settled accommodation and tenancy sustainment rates post release.

Care leavers

Care leavers are disproportionately more likely to experience homelessness compared to other young people. Half of care leavers struggle to find and hold onto somewhere safe and stable to live.²⁰⁶

Care leavers represent about one per cent of young people,²⁰⁷ yet it is estimated that 14% of young people who are homeless are care leavers.²⁰⁸

A 2010 report found that one third of young people with care backgrounds experience homelessness at some stage between six and 24 months after leaving care. This included periods of sofa surfing, staying at homeless hostels or refuges, sleeping rough and spending short periods of time in B&B accommodation.²⁰⁹ A 2016 report from the DfE found that seven per cent of care leavers aged 19, 20 and 21 were living in unsuitable accommodation.²¹⁰ The *Nations Apart* study found that 24% of single people surveyed had been in local authority care while they were growing up.²¹¹

The failure to ensure that care leavers are properly supported into adulthood has significant cost implications for government. Just under half of men under the age of 21 who have contact with the criminal justice system have been in care at some point.²¹²

205 Clinks, *Clinks briefing on the Invitation to Negotiate stage of the Transforming Rehabilitation reforms*, London: Clinks, 2014.

206 CSJ, *Survival of the Fittest? Improving life chances for care leavers*, London: CSJ, 2014.

207 CSJ, *Finding Their Feet: Equipping care leavers to reach their potential*, London: CSJ, 2015, p7; Department for Education, *Children looked after in England, including adoption*, London: Department for Education, 2014, Table F1; Ibid; Office for National Statistics, *Population Estimates for UK, England and Wales, Scotland and Northern Ireland, Mid-2013*, London: Office for National Statistics, 2014.

208 Homeless Link, *Young and Homeless 2015* London: Homeless Link, 2015.

209 Stein M & Morris M, *Increasing the Number of Care Leavers in Settled, Safe Accommodation*, Research Report. Research Review, 2009 [Accessed via: <http://eprints.whiterose.ac.uk/73519/1/Document.pdf> (07.02.2017)].

210 Department for Education (DfE), 'Children looked after in England (including adoption) year ending 31 March 2016', September 2016, [Accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/556331/SFR41_2016_Text.pdf (8.02.2017)].

211 Mackie P et al., *Nations apart? Experiences of single homeless people across Great Britain*, London: Crisis, 2014.

212 NAO, *Care leavers' transition to adulthood*, London: DfE, 2015.

Adults who have combined experience of homelessness, substance misuse and offending cost government £10.1billion every year.²¹³

Just under one in five of these adults has been in care as a child.²¹⁴

Previous CSJ research has shown that 44% of care leavers say upon reflection that they left care too early.²¹⁵ This can negatively affect their futures in a whole range of ways, including issues relating to homelessness. Scotland and Wales have expanded the entitlements for care leavers. The Social Services and Well-being (Wales) Act (2014) made provisions to allow young people to stay with their foster carers until their 18th birthday. In Scotland, the Children and Young People (Scotland) Act (2014) entitles care leavers to remain in care up until their 22nd birthday and receive aftercare support until their 26th birthday. In England, there is a clear expectation that local authorities stay in touch and support care leavers until they are 21 (or later if they are in education or training).²¹⁶ It is the long-term goal of the CSJ that all young people are supported until they are 25.²¹⁷

Recommendation 22: The DfE should amend legislation to allow for all care leavers to remain in care up until their 22nd birthday and receive aftercare support until their 26th birthday. This should apply to all young people who have had experience of being in care, even if they have moved in and out of the care system, to ensure a more seamless transition from childhood to adult life and reduce the risk of homelessness.

Recent research from The Children's Society found that local authorities hold very little data about young people who present themselves as homeless. They found that only half the young people who present as homeless get assessed at all, and of them, approximately one in five are only assessed under housing legislation.²¹⁸ As a result, young people are often treated as adults and the risk factors associated with youth homelessness are not properly considered.

Recommendation 23: The DCLG should amend the Homelessness Code of Guidance for Local Authorities so that all young people who present themselves as homeless are assessed and clear reasons recorded for the outcomes of the assessment. The code should stipulate that young people aged 16 and 17 who present as homeless should always receive joint assessments no matter what tier or department of a local authority they present in.

As outlined above, care leavers are already recognised as a priority need group within the homelessness legislation. A care leaver is only automatically considered in priority need until the age of 22. Beyond this point, it is up to the discretion of local authorities whether an applicant is vulnerable because of time spent in care, and therefore in priority need and eligible for the main homelessness duty.

213 Bramley G, et al., *Hard Edges: Mapping Severe and Multiple Disadvantage*, London: Lankelly Chase Foundation, 2015.

214 Watts B, Johnsen S & Sosenko F, *Youth Homelessness in the UK*, Bristol: The Ovo Foundation, 2015.

215 CSJ *Survival of the Fittest? Improving life chances for care leavers*, London: CSJ, 2014.

216 HM Government, *'Staying Put' Arrangements for Care Leavers aged 18 and above to stay on with their former foster carers*, London: Crown, 2013.

217 CSJ, *Finding Their Feet: Equipping care leavers to reach their potential*, London, CSJ, 2015.

218 Pona I & Crellin R, *Getting the house in order: Keeping homeless older teenagers safe*, London: The Children's Society, 2015.

In 2015/16, eight per cent of people who made a homelessness application were found to be in priority need but intentionally homeless and therefore did not qualify for the main homelessness duty. For many young people leaving care the transition to independent living can be extremely difficult, and there is a high chance that, despite being in priority need, you might find yourself intentionally homeless because, for example, you have not paid your rent or have broken other terms of your tenancy agreement. At the end of March 2015, a total of 69,540 children were looked after by local authorities in England, a rate of 60 per 10,000 children under 18 years.²¹⁹ Care leavers form a relatively small group, yet the risk of them going on to experience several high support needs, despite having previously been in the care of the state, means they cost the government a significant amount in the long term. These factors warrant the extension of protections for this group in the priority need criteria under the homelessness legislation.

Recommendation 24: All care leavers should automatically qualify for the main homelessness duty and intentionality criteria should be removed for all care leavers under the age of 35.

Hospital discharge

People who are homeless are much more likely to experience physical and mental health problems compared to the rest of the population.²²⁰ A study of 2,500 homeless people found they are five times more likely to attend emergency departments compared to those who are not homeless and stay in hospital three times as long.²²¹

Ensuring that someone is discharged into stable accommodation not only reduces homelessness, but helps to reduce the likelihood of someone returning to hospital, therefore alleviating the pressure on bed spaces for the NHS. In 2012, more than 70% of homeless people were discharged from hospital back onto the street.²²²

Following this finding the Government announced a £10 million homelessness hospital discharge fund. The funding was allocated to voluntary sector partners to help improve hospital discharge with the aim of reducing and preventing homelessness. An evaluation of the fund found that overall clients reported a more positive experience while in hospital.²²³ Outcomes data showed that 71% of people who were homeless were discharged into suitable accommodation.²²⁴ However, reports on the discharge process itself found a more mixed experience. Where people reported a negative experience this was often due to a breakdown in communication by hospital staff.²²⁵ A 2015 Healthwatch England report found that there was still a lack of coordination between hospital and housing services and that people felt discriminated against because of their circumstances.²²⁶

219 Zayed Y & Harker R, *Children in Care in England: Statistics*, London: House of Commons, 2015.

220 Homeless Link, *The Unhealthy State of Homelessness- Health Audit Results 2014*, London: Homeless Link, 2014.

221 Hewett N, Halligan A & Boyce T, *A general practitioner and nurse led approach to improving hospital care for homeless people*, London: BMJ, 2012.

222 Homeless Link & St Mungo's, *Improving Hospital Admission and Discharge for People Who Are Homeless*, London: Homeless Link, 2012.

223 Homeless Link, *Evaluation of the Homeless Hospital Discharge Fund*, London: Homeless Link, 2015.

224 Ibid.

225 Ibid.

226 Healthwatch England, *Safely home: What happens when people leave hospital and care settings?*, London: Healthwatch England, 2015.

While progress has been made in improving the services that homeless people receive within hospitals, there is clearly much more that could be done with regards to improving the integration of health and social care services as well as the discharge process.

Recommendation 25: A designated lead within local Health and Wellbeing Boards and Clinical Commissioning Groups (CCGs) should co-ordinate commissioning for homeless and vulnerable people, so that housing and health are joined up as part of the same pathway. They should review and report on progress to improve homeless people's health and wellbeing as part of the commissioning cycle.²²⁷

In 2013, the Care Quality Commission (CQC) made a commitment to review, as part of their assessments, how well GPs were performing with regard to the treatment of homeless patients. No such equivalent, however, exists for healthcare professionals within hospitals.

Recommendation 26: The CQC should assess the role that hospital staff play to help reduce homelessness for patients at the point of discharge.

3.6 Support for families and young people

Young people are much more vulnerable to experiencing homelessness.

Nearly half of people living in homeless accommodation services are aged between 16 to 24.²²⁸

This is largely due to higher levels of unemployment and limited access to Housing Benefit. The Government have committed to withdraw access to support for housing costs for 18 to 21 year olds. This will apply to young people who are out of work and make a new claim for Universal Credit from 2017. This will further increase their susceptibility to homelessness.

Despite the increased vulnerability for young people, youth homelessness has not risen as substantially as it did under the last recession.²²⁹ This relative success has largely been attributed to targeted homelessness prevention interventions which stop young people falling into mainstream homelessness services. This includes, for example, the Positive Pathway model developed by the homelessness charity St Basils, which outlines a national framework to better prevent young people from becoming homeless in the first place. In 2014, the Government also launched the Fair Chance Fund, a £15 million Social Impact Bond designed to help get the most vulnerable young people into permanent settled accommodation, employment and training.

²²⁷ Ibid.

²²⁸ Homeless Link, *Young and Homeless 2015*, London: Homeless Link 2015.

²²⁹ Watts B et al., *Youth Homelessness in the UK*, Bristol: The OVO Foundation, 2015.

Despite this success, there is clearly a greater role that prevention could play to help reduce youth homelessness. Family breakdown is the leading cause of homelessness for young people, accounting for the reason 47% of people turn to youth services.²³⁰ Family mediation is widely considered an important element of early intervention work.²³¹ Recent research commissioned by the OVO Foundation into youth homelessness found that frontline service staff felt that specialist mediation offered to families played an important role in reducing homelessness among young people and that greater uptake of these services were needed.²³² Evidence on the effectiveness of different forms of mediation, however, is relatively limited.

Recommendation 27: DCLG should test different forms of family mediation to determine which are the most effective, with a view to scaling the model up throughout the country. This could be done as part of the work of the Homelessness Impact Centre or as a standalone commission.

A key benefit of prevention work is that it helps keep young people out of hostel accommodation, which is often unsuitable due to issues regarding living in close proximity to people with drug and alcohol misuse issues. As part of this research we have seen several successful alternative emergency accommodation schemes, which help keep young people out of mainstream homelessness services. These include, for example, supported lodgings, which give people the opportunity to live in the home of an approved person who will help them prepare for independent living. A 2008 Government evaluation found that young people experience better outcomes in supported lodgings compared to supported housing, foyers and floating support.²³³ The OVO Foundation's report into youth homelessness found that a room in a private community host's home was particularly effective. One excellent example of this is the Nightstop project run by the homelessness charity De Paul.

Nightstop, preventing homelessness through community hosting

Nightstop provides free, safe, secure, emergency accommodation for single young people predominantly aged 16–25 in the homes of approved volunteer hosts. It is an effective solution to youth homelessness that is rooted firmly in the local community; it prevents young people from not only sleeping rough, but also from entering larger scale hostels or bed and breakfast accommodation that they are routinely placed in by local authorities in emergency situations.

Nightstop forms part of a broader pathway of options for young people whereby vulnerable young people in their moment of crisis can be placed in a positive and nurturing home setting for, on average, seven or eight nights. While its primary focus is to provide somewhere safe to sleep, the reality is that Nightstop ensures young people are staying with a positive role model, restoring their faith in adults, and enabling them to progress positively with their lives.

Nightstop is delivered in 33 towns and cities around the UK, and in 2015 provided over 13,000 bed nights to young people who had nowhere to go.

²³⁰ Homeless Link, *Young and Homeless 2015*, London: Homeless Link 2015.

²³¹ Pawson H, Davidson E & Netto G, *Evaluation of Homelessness Prevention Activities in Scotland*, Edinburgh: Scottish Executive Social Research, 2007.

²³² Watts B, et al., *Youth Homelessness in the UK*, Bristol: The OVO Foundation, 2015.

²³³ DCLG, *Making a difference Supported lodgings as a housing option for young people*, London: DCLG, 2008.

The CSJ strongly advocates the supported lodgings model to help move young people on from homelessness as quickly as possible and prevent them from getting stuck within mainstream services. There is currently inconsistency across local authorities as to whether these schemes receive lower levels of rent in line with the LHA rate or at the higher level of rent paid to supported homelessness accommodation projects (e.g. hostels). The Government should promote all forms of supported lodgings as sustainable solutions to the problem of securing appropriate and safe alternatives to Bed and Breakfast or unsafe, large hostel provision. These schemes should be recognised as providing an equivalent or higher level of support to that provided by hostels.

Recommendation 28: The Government should ensure that supported lodgings receive a higher rate of Housing Benefit in line with the amount received by hostels.

chapter 4

Improving access to affordable housing

While the causes of homelessness are complex, access to affordable housing is a significant factor and impacts on almost all the areas of potential intervention examined as part of this report. Rapid access to stable accommodation is vital to the successful implementation of a national Housing First programme, as well as serving as an important tool for housing led homelessness prevention and relief interventions for people with lower support needs.

4.1 Increasing the supply of affordable accommodation

The CSJ has previously raised concerns about the effectiveness of the Government's housing policy, which has focused predominantly on increasing homeownership, in addressing the needs of low income households.²³⁴

The CSJ have called on the Government to ensure that there is no net loss of homes which are truly affordable to those on a low income as a result of the voluntary Right to Buy extension. Currently there is the possibility that social housing sold to fund the scheme will be replaced by products like Starter Homes, which, depending on location, are inaccessible to those on low to medium incomes.²³⁵

We have welcomed, however, the recent publication of the Government's housing white paper which marks a shift in this emphasis.²³⁶ Building on this change of policy, the CSJ would urge the Government to consider the balance of investment in the provision of housing affordable to those on the lowest incomes, who cannot afford subsidised home ownership. As well as helping to limit the risk of homelessness, investing in low cost rental accommodation would help reduce the Housing Benefit bill. Between 2005/06 and 2014/15, Housing Benefit spending on 1.4 million private tenancies doubled to £9.3 billion in Britain.²³⁷ Over the same period the cost of Housing Benefit for 3.2 million social housing tenancies rose by just over a fifth to £15.5 billion.²³⁸ In an assessment of the value

²³⁴ Winterburn M, *Home Improvements, a social justice approach to housing policy*, London: CSJ, 2016.

²³⁵ Winterburn M, *Home Improvements, a social justice approach to housing policy*, London: CSJ, 2016.

²³⁶ DCLG, *White Paper: Fixing our broken housing market*, London: DCLG, 2017.

²³⁷ NHF, *The Growing Housing Benefit spend in the private rented sector*, [Accessed via: www.housing.org.uk/resource-library/browse/the-growing-housing-benefit-spend-in-the-private-rented-sector (23.01.17)].

²³⁸ Ibid.

for money of the Coalition's Affordable Homes Programme, the NAO calculated that, over 30 years, funding housing at social rents offers better value for money for the taxpayer than charging higher Affordable Rents, mainly because of Housing Benefit savings.²³⁹ Similarly, research conducted by Capital Economics found that the Government would achieve better value for taxpayers' money if it were to part fund the delivery of 100,000 new social rent homes each year, rather than continue with its existing policy.²⁴⁰

Recommendation 29: Government should consider ways to boost investment in building low cost rental accommodation to help provide affordable housing for households on very low incomes. This would have the benefits of reducing the risk of homelessness for the most vulnerable households and the Housing Benefit expenditure.

4.2 Widening access to affordable accommodation

A significant proportion of people who are homeless will receive some level of Housing Benefit support to help them into, and sustain, accommodation. The principle aim of the Government's welfare reform agenda has been to move a greater number of people into employment. The CSJ strongly supports this strategy as the most sustainable route out of poverty.

In some areas of the market, however, there is evidence to suggest that changes to Housing Benefit for private tenants have made it more difficult for claimants to access affordable accommodation, particularly for those who have experienced homelessness.

In addition to the limited supply of affordable accommodation, as outlined in Chapter One, private landlords are becoming increasingly more reluctant to let to tenants in receipt of Housing Benefit.²⁴¹ Recent Crisis research found that 82% of the private landlords they surveyed were unwilling to let to someone who was homeless.²⁴² Of the landlords surveyed, 65% said that changes to direct payments under Universal Credit for private tenants had made them more reluctant to let to homeless people.²⁴³ Fifty one per cent said caps on LHA rates had made them more reluctant and 48% said that the four year freeze to LHA rates made them more reluctant to let to homeless people. Furthermore, 70% of landlords surveyed were worried about problems with the administration of benefits.²⁴⁴

There are adjustments that could be made to the benefits system help improve access to affordable housing for people who are homeless.

Local Housing Allowance rates

LHA is the system which calculates the rate of Housing Benefit that private tenants can claim. There are different levels of rates based on the area that the claimant lives in, whether they live in shared accommodation and how many people live in the household.

239 NAO, *Financial Viability of the social housing sector: introducing the Affordable Homes Programme*, London: DCLG, 2012.

240 Capital Economics, *Building New Social Rent Homes*, London: SHOUT & the National Federation of ALMOs, 2015.

241 House of Commons: Work and Pensions Committee, *Support for housing costs in the reformed welfare system*, London: Crown, 2014.

242 Gousy H, *Home: No Less will do, Improving access into the private rented sector for single homeless people*, London, Crisis, 2016.

243 Ibid.

244 Ibid.

LHA rates were frozen at 2015/16 levels for four years from April 2016. This means that even if market rents go up, the amount a claimant receives in Housing Benefit will not. Prior to the freeze, the link between LHA and market rents was removed by the last Government, with rents either only increased by one per cent a year or by CPI. Caps and the subsequent freeze to LHA rates were intended to ease the rise in private rents, therefore making housing at the lower end of the market more affordable. However, last year alone rents in England rose by 2.5% and by 2.4% in London.²⁴⁵ Government research has shown that overall the caps to LHA rates have not resulted in landlords reducing rents at the lower end of the market.²⁴⁶

As outlined above, the caps and subsequent freeze to LHA rates are making it harder for tenants to find landlords that are willing to let property to them. The Government must consider ways to incentivise landlords to let to tenants in receipt of Housing Benefit to boost the supply and accessibility of housing for those at greatest risk of experiencing homelessness. While we acknowledge that it would be difficult to reverse the existing freeze, efforts to improve affordability in this area of the market must be addressed to bridge the unaffordability gap for people who are at risk of, or who are homeless. We therefore ask the Government to consider whether tax exemptions for landlords letting at the LHA rate or below could be put in place and what the most appropriate mechanism would be to ensure that this stock is then let to those in receipt of Housing Benefit.

Recommendation 30: The Government should consult with landlords to see whether tax exemptions for those who let at or below the LHA rate would boost supply in the private rented sector for tenants who are at risk of homelessness.

The Shared Accommodation Rate

The Shared Accommodation Rate (SAR) is the level of Housing Benefit paid to single people under 35 living in the private rented sector. Claimants are restricted to the rate for a single room in a shared house, rather than the rate for a self-contained one bedroom property. It used to be paid to people under 25 but during the last parliament it was extended to those under 35. This change was estimated to affect 62,500 people.²⁴⁷ As outlined earlier in the report, social rents are due to be capped in line with LHA rates. Once the SAR applies in the social rented sector, demand for shared accommodation will increase further if social landlords decide not to let to under 35s, as some already have.

Evidence has shown that since 2011 there has been a drop in the number of people claiming the SAR, suggesting a lack of need for Housing Benefit.²⁴⁸ However, 68% of homelessness service providers report an increased demand from young people,²⁴⁹ suggesting that the drop in the number of people claiming the SAR, does not necessarily indicate a lack of need.

245 Office of National Statistics (ONS), *Index of Private Housing Rental Prices (IPHRP) in Great Britain: December 2016*, London: ONS, 2016.

246 DWP, *The impact of recent reforms to Local Housing Allowances: Differences by place*, London: Crown, 2014.

247 DWP, *Equality Impact Assessment Housing Benefit: Changes to the Local Housing Allowance arrangements and Housing Benefit size criteria for people with non-resident overnight carers*, London: DWP, 2011.

248 Crisis, *Shut Out Briefing: Young People Shared Accommodation and Homelessness*, London: Crisis, 2015.

249 Homeless Link, *Young and Homeless 2015*, London: Homeless Link, 2015.

The supply of shared accommodation has been found to be particularly limited in some areas of the country.

When the Government extended the SAR in 2011 it brought in a set of exemptions. These included those aged 25 and over who had lived in a hostel for at least three months. Importantly this only applies to people who have stayed in a very specific type of hostel accommodation that is designed to rehabilitate or resettle people into the community. A 2012 Crisis report found that a fifth of housing advisors reported that none of their clients had been able to secure this exemption, despite living in a homeless hostel.²⁵⁰ Other exemptions included: care leavers aged under 22, disabled people, and high risk offenders aged 25 and over.

The rationale for these exemptions is relatively clear. They are principally intended for people for whom sharing is deemed inappropriate or people who have already experienced a certain level of difficulty finding accommodation. On this basis, the CSJ recommends that the DWP extend these exemptions, for both private and social rented tenants, to help improve access for particularly vulnerable groups.

The exemption for people who have spent time in some form of hostel accommodation should equally apply to people under the age of 25 in recognition that they are an equally vulnerable group and face a high level of housing need. While people who are over the age of 25 and are assessed as high risk offenders are exempt from the SAR, no similar such exemption exists for those who are 25 and under, despite the same measure of risk applying. The CSJ would similarly recommend that the age criteria for this exemption is lifted.

Parents with children are exempt from the SAR. There is, however, no exemption for pregnant women to receive a higher level of Housing Benefit in the run up to the birth of their child. Realistically, it would be very difficult and disruptive for a woman to move immediately after having a baby. We would therefore recommend that pregnant women are also exempt from the SAR. Similarly, people fleeing domestic violence who need to find accommodation extremely quickly, and potentially in a new location, should be exempt from the SAR to mitigate this potential additional barrier. Furthermore, it would ensure that women fleeing domestic violence would not have to share accommodation with men that they do not know.

The CSJ supports the Government's care leavers strategy which has recommended raising the care leaver exemption for the SAR up to the age of 25.²⁵¹ This is strong step in the right direction, and we would recommend that the Government consider applying this exemption.

Recommendation 31: The following groups should also be exempt from receiving the SAR and receive the one bed LHA rate instead:

- People aged 25 and under who have spent three months in hostel accommodation.
- Pregnant women.
- Care leavers aged 25 and under.
- High risk offenders aged 25 and under.
- People fleeing domestic violence.

250 Crisis, *Hitting Home*, London: Crisis, 2012.

251 HM Government, *Keep On Caring Supporting Young People from Care to Independence*, London: Crown, 2016.

Expanding exemptions would provide these groups, who are at a higher risk of homelessness, with greater housing options and relieve the pressure on shared accommodation.

Recommendation 32: DWP should ensure that people who have lived in any form of temporary hostel accommodation are entitled to the exemption, regardless of whether it is self-contained or provides rehabilitative services.

There have been some specific concerns raised about the calculation of the SAR compared to other LHA rates, which means that it does not truly allow people to compete for the cheapest third of shared housing. The Government's intention is that a third of shared properties should be affordable within the SAR. Yet research conducted by Crisis found that just 13% of advertised rooms are affordable within the rate. The analysis found that the Valuation Office Agency (VOA) in England bases its calculations on 102 fewer properties per postcode than were advertised on the website sparerroom.co.uk and calculated the average weekly rent to be £23.95 lower.²⁵²

Recommendation 33: DWP should reassess the calculation of the SAR based on a much larger proportion of the market.

Welfare conditionality

Conditionality and sanctioning of benefits has been used in some shape or form by governments for over a century. In 2012, the Coalition Government introduced new conditionality rules which require claimants to demonstrate that they are meeting the requirements to remain eligible to undertake work-related tasks to continue to receive Jobseeker's Allowance (JSA).

People who use homelessness services are disproportionately more likely to be affected by sanctioning. A recent report from Sheffield Hallam has shown that someone who is homeless is almost twice as likely to have been sanctioned, with 39% of the sample surveyed reporting receiving a sanction in the past year.²⁵³ The report found that personal barriers for homeless people, such as the requirement to job search, despite limited internet access, rather than unwillingness to comply, led to a higher sanctioning rate. Sanctioning also had a significant impact on a claimant's housing situation, with 21% of sanctioned respondents reporting that they had become homeless as a result.²⁵⁴ In principle, Housing Benefit should be exempt from sanctioning. In practice, however, people end up having to dip into this fund to pay for other outgoings, therefore increasing their risk of homelessness.

There are opportunities to improve the way in which the welfare system works to support homeless people back into work. The Jobseeker's Allowance (Homeless Claimants) Amendment Regulations (2014) allows Job Coaches to apply an easement to newly

²⁵² Ibid.

²⁵³ Batty E, Beatty C, Casey R, Foden M, McCarthy L and Reeve K, *Homeless people's experiences of welfare conditionality and benefit sanctions*, London: Crisis, 2015. The findings from this report were based on face-to-face interviews with 1013 homelessness service users and in depth interviews with 42 homelessness services users.

²⁵⁴ Ibid.

homeless jobseekers, which suspends conditionality on their JSA. These regulations are very welcome. There is no data published on the use of the easement, and evidence outlined above would suggest that homeless people continue to be sanctioned despite the new regulations.

We also welcome the DWP's recent announcement that people who are homeless or suffer from a mental health problem will now be able to access hardship payments immediately if they receive a benefit sanction.²⁵⁵

There still needs to be, however, much greater flexibility built into the system at an earlier point to acknowledge that the primary objective of someone who is homeless must be to find a stable home. This provides a stable base from which to find sustainable employment. The CSJ therefore make the following recommendations:

Recommendation 34: Work coaches should make a financial assessment before a sanction is imposed to determine if this is likely to result in destitution or homelessness.

Recommendation 35: The DWP should publish data on the use of the easement for people experiencing homelessness. Work Coaches should be able to apply the easement to anyone who is homeless, not just people who have recently lost their home. There should be greater training for Work Coaches on identifying someone who is homeless and applying the easement to ensure that it is applied fairly. The Government should also ensure that this principle is carried over for Universal Credit claimants.

A recent report from the NAO found that the DWP has administrative data on individual benefit histories, sanctions and employment, and data on local sanction rates and performance.²⁵⁶ It does not however, use this data to evaluate the impact of sanctioning and its success in moving people into work.

Recommendation 36: Using administrative data, the DWP should conduct a review of the effectiveness of sanctioning, particularly on more vulnerable groups such as people who are homeless.

Universal Credit

There has been a lot of concern that the roll out of Universal Credit will have an adverse impact on the ability of people who are homeless to access affordable housing, particularly in the private rented sector. In most cases, Universal Credit will be a single, monthly payment, which is paid in arrears directly to the claimant rather than the landlord. New claimants should receive their first payment around six weeks after the date on which they make a claim. This is made up of seven 'waiting days' (for most out of work claimants), one calendar month (since Universal Credit is paid a month in arrears)

²⁵⁵ DWP, Press release: *Homelessness and mental health conditions to be supported by hardship fund*, November 2016 [Accessed via: www.gov.uk/government/news/homelessness-and-mental-health-conditions-to-be-supported-by-hardship-fund (8.02.2017)].

²⁵⁶ NAO, *Benefit sanctions*, London: DWP, 2016.

plus a further seven days to process the claim. Claimants are not entitled to Universal Credit during the seven waiting days. This means they will be paid six weeks in arrears, but only five weeks' worth of entitlement.²⁵⁷ It is expected that during the seven waiting days, claimants will use their last pay packet to pay their housing costs. Some people are exempt from waiting days, including victims of domestic violence, young people leaving care and prison leavers. There is no specific exemption for people who are homeless, despite the unlikelihood of them having funds to draw upon. This situation should be rectified.

Recent Crisis research found that 82% of private landlords surveyed were unwilling to let to someone who was homeless.²⁵⁸ Sixty five per cent said that changes to direct payments under Universal Credit for private tenants had made them more reluctant to let to homeless people.²⁵⁹ In Summer 2016, the Minister for Welfare Reform, Lord Freud, expressed concerns that 50% of Universal Credit claimants were in arrears, much higher than the Government had expected.²⁶⁰ A recent report from the National Association of ALMOs found that 85% of tenants claiming Universal Credit in England were in rent arrears, compared to 39% of other tenants.²⁶¹

It is vital that Government ensures an effective system is put in place to identify vulnerable people claiming Universal Credit and provides sufficient support to prevent them falling into arrears, including setting up Alternative Payment Arrangements.

Alternative Payment Arrangements

Alternative Payment Arrangements (APAs) are available for claimants who have difficulties managing their Universal Credit payment. They are designed to help people who are identified as needing additional help with payment of their Housing Benefit directly to their landlord, a more frequent than monthly payment or a split payment. If a claimant is in rent arrears for two months or more, or they have continually underpaid their rent over a period and accrued a month's worth of rent arrears, the DWP should set up an APA. The DWP can also consider providing an APA on referral from a landlord, a claimant or their caseworker. In May 2016, 34% of Universal Credit claimants in social housing had an APA, compared to only 5% for those in private rented accommodation.²⁶²

257 Crisis, *Policy Briefing Universal Credit: Frequently Asked Questions July 2016*, London, Crisis, 2016.

258 Reeve K, et al., *Home No less will do: Homeless people's access to the Private Rented Sector*, London: Crisis, 2016.

259 Ibid.

260 Inside Housing, *Freud orders 'urgent' review into Universal Credit arrears*, London: Inside Housing, July 2016.

261 National Federation of Almos & ARCH, *Universal Credit – Progress Update, 2016* [Accessed via: file:///C:/Users/hannahgously/Downloads/NFA%20&%20ARCH%20Universal%20Credit%20-%20A%20Progress%20Update%20(Welfare%20Reform%20Survey%20Findings%20-%20as%20at%20Sept%202016)%20.pdf (13.2.2017)].

262 DWP, *Universal Credit Statistical Ad Hoc: Data on Alternative Payment Arrangements Data for September 2015 to May 2016* [Accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/543907/universal-credit-data-on-alternative-payment-arrangements.pdf (8.2.2017)].

Recommendations 37:

1. The DWP, drawing on the communications strategy employed by the Home Office ahead of the introduction of the Right to Rent scheme, should better publicise APAs to private tenants and private landlords. This could in part be delivered through the introduction of Universal Support.
2. Private Rented Access Schemes should be assigned Trusted Partner status to allow them to make a referral more easily for someone who has a history of rent arrears and has experienced homelessness to access an APA.
3. People with experience of homelessness should be exempt from the seven-day waiting period.

Rapid rehousing

As well as taking measures to make the current welfare system easier to navigate for people who are homeless, there are other measures to improve rapid access to affordable housing to ensure that if periods of homelessness do occur they are brief and non-recurrent. As outlined above, a significant proportion of private landlords are reluctant to let to LHA claimants and people who have experienced homelessness even if their properties are affordable to them. This is because they view them as more risky occupants and worry about delays in payment, unpaid rent, damage to property and anti-social behaviour.²⁶³ Social lettings agencies, or private rented access schemes, play an important role in helping to minimise these risks and provide landlords with the reassurance they need to let to these tenants.

What are social lettings agencies?

Social lettings agencies help to support people who are homeless or threatened with homelessness create and sustain tenancies in the private rented sector. They provide pre-tenancy training to help prepare prospective tenants to budget, deal with utilities and inform them of their rights and responsibilities as a private tenant. In addition, they provide financial assistance to help with issues such as tenancy deposits and rent in advance. Unlike high street letting agencies, no fees are charged to tenants or landlords. They are sometimes referred to as Private Rented Access Schemes.

As well as supporting tenants, social lettings agencies provide landlords with a suite of services designed to mitigate the risks that might otherwise be associated with letting to a tenant who has experience of homelessness. Those services might include helplines for landlords and tenants, inventory services pre- and post-tenancy, and in some instances, rental guarantees for a specified period.

From 2010 to 2014 Crisis ran the Private Rented Sector Access Development Programme, a £10.8m DCLG funded programme that saw the set-up of 153 private rented sector access schemes across England.²⁶⁴ The schemes demonstrated clear value for money, with more than 8,000 tenancies created, a 90% sustainment rate of tenancies at the six-

²⁶³ DCLG, *Private Landlords Survey 2010*, London: DCLG, 2011; Reeve K, et al., *Home No less will do: Homeless people's access to the Private Rented Sector*, London: Crisis, 2016.

²⁶⁴ Gousy H, *Home: No Less will do, Improving access into the private rented sector for single homeless people*, London, Crisis, 2016.

month point, and over £13.5m savings made in one quarter through their intervention.²⁶⁵ This funding has now come to an end. An evaluation of the schemes found that they failed to achieve financially sustainable operating models, despite there being evidence that the effective schemes are able to generate a positive return on investment for local authorities and public services.²⁶⁶ Only three of the schemes were progressing towards a self-funding model.²⁶⁷ The Government have expressed a renewed interest in this area, with a commitment in the recent housing white paper to investigate whether social lettings agencies can be effective tools for securing more housing for those who would otherwise struggle.²⁶⁸

Currently, when tenants owed the main homelessness duty are placed in temporary accommodation with a private landlord, they are charged rent of up to 90% of January 2011 LHA rate plus a management fee (on average about £100 per week). In effect, this has meant that the DWP has been paying for this accommodation through Housing Benefit, as fees are covered as well as rent in temporary accommodation. If this system had continued, between 2017/18 and 2020/21 DWP would have spent £965 million on Housing Benefit to fund temporary accommodation. However, in the 2015 Autumn Statement the Government said that it will no longer pay the management fee for temporary accommodation through Housing Benefit. Instead DCLG will be given £1,005 million for the 2017/18–2020/21 period, which, it is expected, will be transferred to local authorities. This is £40 million more than DWP would have spent on temporary accommodation. Local authorities will be expected to use the money they receive to meet their duties to homeless households. All things being equal, this money would be used to fund temporary accommodation. We believe the Government should be taking a radically different approach. First, the additional £40 million allocated by the Treasury to DCLG, which goes beyond what it is expected local authorities would need to house homeless households in temporary accommodation, should be redirected to a Social Lettings Agency Capital Fund. This would enable those social lettings agencies with high tenancy sustainment rates and credible business plans to expand, and find ways to become more financially self-sustaining. It could also incentivise other organisations that have existing relevant infrastructure and skill-set, notably housing associations, to set up social lettings agencies. The launch of a Capital Fund would provide social lettings agencies with much-needed publicity. As a result, we would hope to see an increased interest from social investors in the sector, and greater awareness among landlords of the advantages of renting via a social lettings agency.

Recommendation 38: The DCLG should set up a £40 million Social Lettings Agency Capital Fund to aid the expansion of social lettings agencies which have credible business plans. A key aim of the fund would be to ensure that social lettings agencies become financially self-sustaining, so that they are not reliant on central government support in the future.

265 Ibid.

266 Rugg J, *Crisis' Private Rented Sector Access Development Programme Final Evaluation Report*, London: Crisis, 2014.

267 Ibid.

268 DCLG, *White Paper: Fixing our broken housing market*, London: DCLG, 2017.

chapter five

Conclusion

Homelessness remains a blight on our society. Although there has been a significant jump in the numbers since 2010, and in particular rough sleeping (4,134 per night at last count), the number of people experiencing chronic homelessness is still relatively small.

The problem is not unsurmountable. It is just a question of political will.

First and foremost, this report sets out how this Government could end rough sleeping and chronic homelessness. We are calling on Government to formally endorse Housing First as the main new area for additional investment especially for people with multiple and complex needs, and to set up a national Housing First programme, backed by a new fund of at least £110 million per year.

There is overwhelming evidence to support the use of Housing First, which provides stable, independent homes alongside coordinated, wrap-around, personalised support to homeless people, as a housing solution. Evidence also shows that over the course of a Parliament the implementation of Housing First would be cost neutral. This is a smart upfront investment that will save the Government money and, more importantly, save lives.

The Housing First model provides individuals with a stable independent home, combined with the personalised support they need to gain access to mental health services, drug and alcohol support, in addition to training for employment when and if they are ready.

In addition, both statutory and non-statutory responses to homelessness are too often predicated on crisis, with less focus on prevention interventions. We want to see this flipped on its head. For many people with complex needs they often fail to qualify for statutory assistance, but are turned away from hostel accommodation because their needs are too high. Falling between the gaps of statutory and non-statutory provision they can find themselves with nowhere else to turn.

Furthermore, a lack of access to affordable housing is both a key driver of homelessness and undermines efforts to ensure that when people find themselves in this situation they are quickly able to secure stable housing and get back on their feet.

The Prime Minister has said that she wants social justice to be a cornerstone of her premiership. One way she can achieve this is by ending the blight of chronic rough sleeping and effectively tackling homelessness once and for all.



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