The Housing Crisis in the UK

Deborah Quilgars
• The housing crisis isn’t about houses – it’s about people. It’s the family struggling to meet next month’s mortgage payment. The young family renting a rundown flat, wondering if they’ll ever be able to afford a home of their own. The children living in temporary accommodation, forced to change schools every time they move. (Shelter, 2016)
Housing in the UK: Key issues

- Housing supply acknowledged as key issue - cross party consensus on need to build more housing during election
- Related issue - huge problem of housing costs (particularly in London)
- Changes in tenure – home ownership actually decreased (out of reach); increase in PRS
- Some widespread condition issues (especially fuel poverty), as well as poor conditions in lower end of PRS. However overall have been improvements in house conditions over time.
Housing and wider political agenda

- Housing shot up policy agenda
- Number of recent high profile housing enquiries/commissions:
  - London Housing Commission
  - Commission for Housing in the North
  - Lyons Housing Review (Labour)
  - Commission for Housing and Well-being, Scotland
- Development of new housing policy – move away from evidence based policy towards ideological drivers?
• £6.9bn housing investment programme that included:
  • £4bn funding for 135,000 shared ownership homes
  • £2.3bn for 200,000 Starter Homes
  • funding for 100,000 affordable rented homes
  • public land to be released for more than 160,000 homes.
  • Also announced (amongst other measures):
    • Housing Benefit capped in the social housing sector to the level of Local Housing Allowance
    • pilot of the voluntary Right to Buy scheme for housing association tenant
• Lords Second Reading 26 Jan 2016
  • Pay to stay – households in council housing earning over £30k (£40k) in London to pay market rent, or move out
  • Right to buy – to be extended to housing association tenants on voluntary basis
  • 5 year limit on tenancies – phasing out lifetime tenancies
  • Starter homes – for first time buyers, 20% less than market price

• Concerns about Bill include:
  • Reduce availability of council housing/ ability of LAs to invest in new affordable housing
  • Possible increase in the housing benefit bill - more people forced to move into the more expensive private-rented sector
  • Not addressing homelessness (GLA, 2016)
Welfare reform agenda

- Bedroom tax - introduced in 2013 to encourage downsizing & reduce benefit bill
  - 14% reduction in benefits for one ‘spare room’; 25% reduction for two ‘spare rooms’
  - Aimed to save £480m in first year. Possibly only saved £160m
  - Highly controversial – number of studies document evidence of negative impact – eg ¾ of people affected cut back on food (DWP, 2015)

- Universal credit to include Housing Benefit
  - Paid direct to landlord; gradual roll-out
Welfare reform agenda

- Local Housing Allowance Rate caps in PRS; extension of LHA rate caps to social rented sector threatening viability of supported accommodation
- Extension of Shared Accommodation Rate of HB to social sector (for those under 35)
- Other benefit changes that will impact on resources available to those on low incomes include:
  - Benefit cap (£23k in 2015, fall further to £20k in 2016);
  - Abolition of Social Fund in 2013; DLA - Personal Independence Payment (PIP) in 2013 – aim to save £2billion; conditionality/ sanctions regime
Homelessness

- Local authorities have a legal responsibility to re-house (and provide temporary accom):
  - ‘priority need’ h/hs; ‘local connection’ and not ‘intentionally homeless’

- Steady decline from 2003 – 2009 but modest increases since then, as well as those in temporary accommodation (England)

- 29% lost last settled home due to ending of assured shorthold tenancy (1st Q, 2015); 38% in London. A rise from 11% in 2009/10.

- Changes in policies/ approach to prevention account for major part of change – over 200,000 cases of homelessness prevention since 2013/14
• Statistics unreliable:
  • ‘A recent assessment by the UK Statistics Authority concluded that the official Homelessness Prevention and Relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated as 'National Statistics'. The Statutory Homelessness Statistics (narrowly) retained their National Statistics status on condition that urgent action is taken by Government to make a series of required improvements, including placing these statistics in their proper context.’ (Fitzpatrick et al, 2016)

• December 2015 - the Communities and Local Government Committee launched a Parliamentary Inquiry into Homelessness, including into its causes and the response at central and local government levels.
  • potential new prevention duty following recent Welsh policy change
Homelessness stats – signs of increases

Chart 2: Households accepted by local authorities as owed a main duty, and households in temporary accommodation, quarterly Q1 1998 to Q3 2015, England
- Homelessness preventions increased

Table 7.5: Outcome of homelessness prevention and relief, England, 2009/10 to 2014/15

<table>
<thead>
<tr>
<th></th>
<th>Total cases of prevention and relief</th>
<th>Number of cases where positive action was successful in relieving homelessness</th>
<th>% of grand total</th>
<th>Number of cases where positive action was successful in preventing homelessness</th>
<th>% of grand total</th>
<th>assisted to obtain alternative accommodation</th>
<th>% of prevention total</th>
<th>able to remain in existing home</th>
<th>% of prevention total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>165,200</td>
<td>24,300</td>
<td>15%</td>
<td>140,900</td>
<td>85%</td>
<td>76,500</td>
<td>54%</td>
<td>64,400</td>
<td>46%</td>
</tr>
<tr>
<td>2010/11</td>
<td>188,800</td>
<td>24,800</td>
<td>13%</td>
<td>164,100</td>
<td>87%</td>
<td>82,300</td>
<td>50%</td>
<td>81,800</td>
<td>50%</td>
</tr>
<tr>
<td>2011/12</td>
<td>199,000</td>
<td>24,200</td>
<td>12%</td>
<td>174,800</td>
<td>88%</td>
<td>88,800</td>
<td>51%</td>
<td>86,000</td>
<td>49%</td>
</tr>
<tr>
<td>2012/13</td>
<td>202,900</td>
<td>21,000</td>
<td>10%</td>
<td>181,900</td>
<td>90%</td>
<td>87,200</td>
<td>48%</td>
<td>94,700</td>
<td>52%</td>
</tr>
<tr>
<td>2013/14</td>
<td>R 228,400</td>
<td>18,500</td>
<td>8%</td>
<td>209,900</td>
<td>92%</td>
<td>98,000</td>
<td>47%</td>
<td>111,900</td>
<td>53%</td>
</tr>
<tr>
<td>2014/15</td>
<td>P 220,800</td>
<td>15,700</td>
<td>7%</td>
<td>205,100</td>
<td>93%</td>
<td>95,900</td>
<td>47%</td>
<td>109,200</td>
<td>53%</td>
</tr>
</tbody>
</table>
Homelessness

- DCLG statistics on rough sleeping show doubling of number of people who sleep rough each night in England since 2010 (Homeless Link, 2016)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of rough sleepers</td>
<td>1,768</td>
<td>2,181</td>
<td>2,309</td>
<td>2,414</td>
<td>2,744</td>
<td>3,569</td>
</tr>
<tr>
<td>Numerical increase on previous year</td>
<td>N/A</td>
<td>413</td>
<td>128</td>
<td>105</td>
<td>330</td>
<td>825</td>
</tr>
<tr>
<td>% change on previous year</td>
<td>N/A</td>
<td>23%</td>
<td>6%</td>
<td>5%</td>
<td>14%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: DCLG
Rough sleeping

Graph 1: Rough sleeping by region, 2010–15

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>East England</td>
<td>206</td>
<td>242</td>
<td>276</td>
<td>296</td>
<td>302</td>
<td>418</td>
</tr>
<tr>
<td>East Midlands</td>
<td>121</td>
<td>188</td>
<td>137</td>
<td>206</td>
<td>193</td>
<td>208</td>
</tr>
<tr>
<td>London</td>
<td>415</td>
<td>446</td>
<td>557</td>
<td>543</td>
<td>742</td>
<td>940</td>
</tr>
<tr>
<td>North East England</td>
<td>49</td>
<td>32</td>
<td>62</td>
<td>25</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td>North West England</td>
<td>100</td>
<td>149</td>
<td>147</td>
<td>152</td>
<td>189</td>
<td>220</td>
</tr>
<tr>
<td>South East England</td>
<td>310</td>
<td>430</td>
<td>442</td>
<td>532</td>
<td>609</td>
<td>827</td>
</tr>
<tr>
<td>South West England</td>
<td>270</td>
<td>337</td>
<td>301</td>
<td>308</td>
<td>362</td>
<td>509</td>
</tr>
<tr>
<td>West Midlands</td>
<td>182</td>
<td>207</td>
<td>230</td>
<td>223</td>
<td>186</td>
<td>249</td>
</tr>
<tr>
<td>Yorkshire &amp; Humber</td>
<td>115</td>
<td>150</td>
<td>157</td>
<td>129</td>
<td>126</td>
<td>160</td>
</tr>
</tbody>
</table>

Source: DCLG
Other housing stats

• More than 352,000 rental sector tenants in England face eviction threat last year (1 tenant every 90 seconds) (Shelter, 2015)

• Estimate of 3.52 million adults in concealed households in England in early 2015 – rise of 40% since 2008 (Fitzpatrick et al, 2016)

• 701,000 households (3.1%) are overcrowded in England, highest level in recent years (Fitzpatrick et al, 2016)

• Estimated 83,000 young people in homelessness services in 2013/14 (Clarke et al, 2015)
Outstanding questions/ points for discussion

• A lot of energy in housing and voluntary sector on containing/ curbing the crisis rather than advancing positive/ new policies?

• Home ownership could become the only tenure offering key elements of a ‘home’ in terms of security/ stability? Increasing inequality…. 

• What will be the longer-term impact of housing instability and homelessness, particularly on families?

• What will happen to most vulnerable with support needs?