

HOMELESS LINK'S EVIDENCE: SOCIAL SECURITY ADVISORY COMMITTEE CONSULTATION ON SHARED ACCOMMODATION RATE FOR HOUSING BENEFIT

EXECUTIVE SUMMARY

This submission is from Homeless Link, the national umbrella organisation for frontline homelessness charities in England.

While Homeless Link recognises the need for housing benefit reform, we are extremely concerned about the impact of the Government's proposals to extend the Shared Accommodation Rate for Housing Benefit from under 25 year olds to under 35 year olds. The Shared Accommodation Rate restricts the maximum Housing Benefit claimants in the private rented sector can receive to the rate for a single room in a shared house, rather than a self-contained studio flat, or one-bedroom property.

KEY CONCERNS

- This measure was already causing hardship and difficulties in accessing private rented sector accommodation for those aged under-25, including problems with finding move-on for young homeless people.
- Extending the shared accommodation rate restriction to all under-35 year olds will have a significant impact by adding another tranche of the homeless population to those to whom the restriction already applies.
- Availability of shared accommodation in the private rented sector for people on benefit is problematic.
- Those aged 35 and under in one bedroom properties in the private rented sector will potentially lose their accommodation and will be at risk of homelessness.
- Hostel places will become blocked because of the lack of available shared properties to move people on to.
- Vulnerable people with support needs may find sharing a tenancy with other people with support needs challenging and it could lead to more tenancy breakdown and homelessness.
- This measure will have particularly detrimental impact on vulnerable people with a history of homelessness, those leaving care or prison, or women fleeing domestic violence situations.

KEY RECOMMENDATIONS

Whilst recognising the wider fiscal constraints on Government, Homeless Link believes that it is highly doubtful that the changes will lead to governmental savings in the medium- or long-term, though this may promote savings for the DWP in the short-term.

We therefore oppose the extension of the Shared Accommodation Rate and recommend that this measure be repealed. Should this not be possible, then we strongly recommend that there should be exemptions for vulnerable groups such as people who are moving on from homelessness.

Furthermore, Homeless Link are deeply concerned that despite the potential impacts as outlined in the DWP Equality Impact Assessment (EIA)¹, it was already being indicated that no additional exemptions would be put in place. We feel that this was inappropriate given that the Social Security Advisory Committee had not yet reported on this area of concern.

The Equality Impact Assessment is particularly weak on the alternative housing options for those people who are affected by the introduction of Shared Accommodation Rate (Table 9 paragraph 42). There is no detailed assessment of the numbers of shared properties available. This measure should not be introduced without a clear idea of where the 88,000 people estimated to be impacted by this measure will be housed and an assessment of whether there are sufficient shared accommodation properties of sufficient quality available. None of the evidence from our members or from the various private landlord organisations suggests that there will be sufficient provision to meet the increased demand.

Homeless Link is the national umbrella organisation for frontline homelessness charities in England. Currently we have 500 member organisations. Our members include hostels, day centres, outreach and resettlement agencies, housing advice centres, youth projects, health projects, welfare rights groups, regional homelessness networks, refuges, drug and alcohol services and faith run voluntary services. As the collaborative hub for information and debate on homelessness, we seek to improve services for homeless people and to advocate for policy change. Through this work, we aim to end homelessness in England.

HOMELESS LINK'S EVIDENCE

1. INTRODUCTION

- 1.1 The measure is universally opposed across the homelessness sector and our members have provided us with evidence of the negative impact this measure will have on being able to move people out of homelessness but also on the ability of vulnerable people to be able to sustain their tenancies. In a recent survey of Homeless Link members on the welfare reform changes, respondents estimated that, in an average project, 33% of clients will be affected by the changes to the shared accommodation rate.
- 1.2 This measure will impact individuals currently living in the private sector and on the ability to be able to access private sector accommodation in the future.
- 1.3 The DWP's own evidence estimates that 88,000 people will be affected by this change, with the average loss being £47 per week. As a consequence many are likely to lose their accommodation and will be at risk of homelessness and it will result in further pressure on the limited pool of shared properties available.²
- 1.4 Part of the Government's rationale for this measure is that many young people share houses and that Housing Benefit rules should reflect the housing expectations of people of a similar age not on benefits. While some young people do choose to share while students or young professionals in London, their circumstances and choices are very different from those on Housing Benefit. In fact, only 2% of people share with someone who is not a relative or partner³. Yet if these changes come in, 17% of those on Local Housing Allowance will be in shared accommodation.
- 1.5 The latest homelessness figures show that during the first quarter of 2011, 15% of applications accepted were because of the ending of an assured short -hold tenancy, compared with 13% during Quarter 1 of 2010 and 11% during Quarter 1 of 2009. These

¹ Department of Work and Pensions, Increasing the Shared Accommodation Rate age threshold to 35, Housing Benefit Equality Impact Assessment, May 2011.

² <http://www.dwp.gov.uk/docs/eia-hb-shared-accommodation-age-threshold.pdf>

³ Office for National Statistics (2009) General Lifestyle Survey

figures suggest an upward trend in people becoming homeless because of the loss of a private rented sector tenancy. This is without the impact of Shared Accommodation Rate changes being felt. We strongly believe that the proportion of people being accepted as homeless by the local authority due to the end of an assured short-hold tenancy, after the extension of the Shared Accommodation Rate comes into force, will dramatically increase.

2. HOMELESS PEOPLE BETWEEN 26 AND 35

- 2.1 People in this age group are the most likely to end up on the streets. 26% of people contacted by outreach or BBS teams and/or arriving in or departing from accommodation in London in 2009/2010 were between the ages of 26 and 35.⁴ Some agencies have a very high proportion of clients in this age bracket. Anchor House in Newham, for example, have a client group 75% of whom are under 35 and a third of these are under 25.

3. PRIVATE RENTED SECTOR

- 3.1 The private rented sector (PRS) has been increasingly promoted as a good housing solution by the CLG. It has taken a time for the homeless sector to adapt to successfully working with the PRS. This change will undermine some of the development work that has been done by the sector with private landlords. Over a quarter of the agencies surveyed for SNAP 2009/10⁵ have moved on between a quarter and three quarters of their clients into the private rented sector and in some areas the percentage is much higher. For those who are not moving into the private rented sector direct from hostels it is often going to be their option further down the line after they have been in a second stage project.
- 3.2 There are increasing demands being made of the PRS, for example, increased demand due to the difficulties of first time buyers securing mortgages. In addition, the Localism Bill currently progressing through Parliament will introduce a new duty for local authorities to be able to discharge their duty to homeless households into the PRS. Given that local authorities can offer more incentives to landlords for priority need clients, it is likely that single homeless people will be squeezed and find it harder to access properties from an already decreasing pool.
- 3.3 A recent survey by the National Landlords Association⁶ found that 58% of private landlords are planning to reduce the number of properties they let to tenants on Housing Benefit. Those who will be willing to rent to those in receipt of benefit will be in the main at the poorer quality end of the market. Porchlight in Kent employs two landlord liaison workers and feedback from their local private landlord's forum is that landlords would no longer be accommodating any under 35 year olds. Half of the agency's move-on is to the private rented sector. Anchor House in Newham have said that at least two of their private landlords have withdrawn from accommodating their clients because they do not want to take under 35s under the new rules.

4. AVAILABILITY OF SHARED ACCOMMODATION

- 4.1 In many areas of the country, accommodation available to rent to sharers does not exist. Even where it does, claimants already struggle to find an affordable property, with DWP figures showing 70% face a shortfall averaging £27 per week⁷. The CAB⁸ have carried out a quick survey on a national website advertising shared accommodation⁹, they found 176 advertisements for shared accommodation in Sheffield, at a rate of between £50 and £60 per week, but only 9 of these would accept HB claimants. In London, 8 of 204 advertisements would accept HB claimants. In Sunderland, only 1 (of 8 overall) would accept HB claimants.

⁴ <http://www.broadwaylondon.org/CHAIN/NewsletterandReports>

⁵ Survey of Needs and Provision Homeless Link 2009/10 <http://www.homeless.org.uk/snap>

⁶ <http://www.landlords.org.uk/news-campaigns/news/landlords-forced-out-housing-benefit-market>

⁷ DWP (2008) LHA pathfinder research - report no 15

⁸ Communication from NACAB at meeting 16/11/2010

⁹ Spareroom.co.uk

Many advertisements stipulate a professional person, which reinforces the concern that it will be hardest for claimants on low incomes to find a suitable house-share.

- 4.1 Homeless Link member agencies have stated that the only realistic option is finding properties suitable for their clients to share. According to projected figures for local housing allowance, in the majority of areas two people sharing a one bed property in London will not be affordable. The impact will not only be in London but in other areas where the private rented market is a significant source of move on. Porchlight, a homelessness agency in Kent, working with young people, say they already struggle to find tenancies and are really worried about they are going to manage these changes. Anchor House in Newham have seen a 400% increase in referrals from Housing Options in the last few months and have had to refuse referrals and pass these onto other agencies. The hostel is already filling up with people who are ready to move on for whom they cannot find accommodation.

Case Study: Broadway Real Lettings

Broadway¹⁰ runs the award winning scheme Real Lettings, a specialist lettings agency offering landlords support in renting their properties in London. The agency helps people source suitable homes whilst at the same time offering landlords complete property management, guaranteed rent and zero voids. It is very successful with 95% of their clients maintaining their tenancy compared with 59% in other Private Rented Schemes. Real Lettings has major concerns about the proposals on shared room rent including:

- The under 35s are the majority of their client group.
- 82 of Real Lettings clients will be under 35 when the benefit changes are imposed.
- They are the client group they have most success at getting back into employment and training.
- The majority of their properties are not suitable for sharing – the kitchen is part of the living room. Only 14 properties have a separate kitchen and living room.
- Clients will have to leave a settled tenancy and move into a shared property.
- As most of the properties available through Real Lettings are unsuitable for sharing, i.e. not having a living room, they fear their only option will be to evict those tenants as they will be unable to make up the gap between benefits and rent. This will be distressing having witnessed them improving their lifestyle,
- They have worked with their clients building up networks in their local area, moving out of the area could have a serious detrimental impact on their progress.
- Clients who are managing their support needs will be forced to live with other people who are also trying to manage their support needs. They know from experience this will put people at risk of returning to old habits concerning drug and alcohol, etc.

5. IMPACT ON HOMELESSNESS SERVICES

- 5.1 Homeless Link has real concern that hostel places, and temporary and supported accommodation schemes, will become blocked because of the lack of available shared properties to move people onto. This leads to a greater risk of people becoming entrenched and dependent on a hostel lifestyle and losing their independent living skills, thereby making it harder to move them on when they are 35 years.

“It will cause bed blocking in our supported housing and registered care homes. Service Users will not be able to move on to independent living. They will be moving from good quality accommodation to sharing which will not be suitable for most adults and especially not for those with mental illness.” Homelessness service, London

¹⁰ Broadway is a London based homelessness charity providing a full range of services to help people get accommodation, improve their physical and mental health, gain training and employment and to live successful, independent lives

5.2 In 2011 Homeless Link's SNAP Survey showed that 26% of projects reported that people were turned away from homelessness services because they were at full capacity, this is an increase from 18% in 2010. Furthermore, a recent survey of homelessness services in June found that 62% (135) reported that fewer people are moving into their own accommodation. The decrease in acceptances and people moving on to their own accommodation is a real concern for Homeless Link. This situation which will be further compounded with the introduction of the Shared Room Rate

Case Study: Croydon Council

Potential impact of Shared Room Rate on Single Homelessness and schemes placing people in private tenancies:

- 981 existing private tenants age 25-34 will be affected (HB data June 2011) in Croydon. They will have to move, as the gap between HB for a single room and one bedroom flat is £75 in Croydon. This shortfall is too great to make up with use of discretionary housing payments.
- 38 of these existing private tenants affected are vulnerable former hostel residents (e.g. former rough sleepers and homeless people, people with mental health problems or substance misuse problems, and ex-offenders).
- Vulnerable people would become homeless as their support networks were disrupted; there is no extra capacity to offer floating support to them. A report by Jenkins Duval housing consultants estimates an increase in 300 people becoming homeless (mostly non-statutory) in 2012/13 and 100 in 2013/14 in Croydon as a result of this change, and an increase in rough sleeping is expected.
- There is a risk of hostels silting up, as they rely on timely placement in private tenancies to free places up for those newly in need (it is already hard to move under-25s out into tenancies).
- Access to houses in multiple occupation (HMOs) for HB claimants is limited: only 4% of HMO landlords in London accept HB. As a result, 22% of placements made by Croydon Rent In Advance Scheme (CRIAS) were of under-25s, despite many more under-25s waiting to move out of hostels
- Most one-bedroom flats (around 75%) are not suitable for sharing, as the kitchen leads off the living room.
- Most landlords of licensed HMOs prefer professionals. Unlicensed landlords are more prepared to accept HB claimants, but do not install fire precautions or carry out gas safety checks, and tend to evict tenants when enforcement officers identify them.
- Proposed changes deter landlords from offering accommodation to under 35s; Croydon's Rent in Advance Service is now placing this age group in HMOs only
- Demand will increase from affected tenants needing to move from one- bedroom properties (a backlog of need) and newly arising need
- Some vulnerable people are not suited to sharing; some could return to drug/alcohol habits through sharing with users; people with mental health problems or learning disability may be vulnerable to harassment in HMOs.

6. PAST EXPERIENCE OF SHARED ACCOMMODATION

- 6.1 Feedback from our members suggests that people moving on from hostels rarely positively choose to be in shared accommodation. Carr Gomm's report 'Shared Living - what works in Supported housing'¹¹, which focuses on staffed supported housing projects has relevant findings for this issue. It found that, '*People are either drawn to Supported Shared Housing in a positive way e.g. the expectation of companionship and security, or are repelled by it (not wanting to be living in it but it was the only accommodation on offer (as expressed by some women and ex-offenders)). How a person arrives at a project and whether they had a choice does impact on their attitude to the staff and other residents.*'
- 6.2 Where people moving on make a positive choice for companionship and have some control over who they share with outcomes are more likely to be positive.

7. IMPACT ON SUSTAINING A TENANCY

- 7.1 For vulnerable people, even if a property is available and affordable, sharing is often inappropriate and can be particularly detrimental to their well-being. This change is likely to lead to more breakdowns of tenancies, evictions and returns to the streets or people staying longer in more expensive hostel accommodation. People moving on from hostel environments are at a very vulnerable point when making the transition straight from 24 hour supported accommodation to a room in a shared house where there are no staff around. This is often a time when people lapse into previous habits - either addiction or rent arrears.

"There is a real shortage of bed-sit, houses of multiple occupations. Those that do exist are often of poor quality with landlords reluctant to offer written tenancy agreements or to accept clients on benefits because they do not want the standard of property examined. Many of our clients will find sharing difficult because of behavioural/personality issues and we may see a rise in people unable to maintain tenancies/quitting property because they are unable to manage relationships/tensions with other residents." Homelessness service, London

- 7.2 The homeless sector has experience of shared accommodation being regarded as unsuitable for former rough sleepers under the Rough Sleepers Initiative (RSI).¹² 'Shared Solutions' was a report published in 2001 by Broadway, commissioned by the Housing Corporation, which identified that the shared units representing one third of the permanent housing stock available for rough sleepers coming off the streets, were not working. They were hard to let, presented considerable management problems for housing providers, no matter who owned the units or who provided the support and they were causing voids for Registered Social Landlords. No further shared units were developed under subsequent phases of the RSI programme, and some of the original shared stock has been substituted with self-contained by housing associations.¹³

8. IMPACT ON VULNERABLE GROUPS

- 8.1 A significant proportion of people who have experienced homelessness often have related issues such as previous neglect or abuse, drug and alcohol misuse, emotional and mental health issues and difficulty forming relationships. People with these issues find it even more challenging to share accommodation with others.
- 8.2 In addition to people with a history of homelessness, there are other vulnerable groups that this measure will have a particularly detrimental impact upon including those with mental

¹¹ Shared Living- what works in Supported housing. http://carrgomm.org.uk/media/Shared_Living_-_Summary_Report_FINAL.pdf

¹² The Rough Sleepers Initiative was the original government programme supporting rough sleepers off the streets and into accommodation 1990 -96

¹³ Communication from Broadway 22/11/10

health problems and/or those with substance misuse problems, those leaving prison aged under-35 and those in the same age group fleeing violence and needing a safe place to live.

“The impact of this change will be very serious for our clients. Most of our clients are prisoners and ex-offenders and many are homeless. For a large proportion of these, private rented accommodation is the only realistic housing option. Likely consequences are:

- An affected claimant is likely to become homeless and move to a shared house, possibly with several younger people. If s/he has started to furnish a home, there may well be nowhere to put furniture, white goods etc.*
- This change will require large numbers of new houses in multiple occupations (HMOs). Although these should obviously all be licensed, there is a chance that the resources will not be there to ensure this happens. Some new HMOs are likely to have been converted rapidly and unsafely.*
- A major problem arises for us when the police or probation insist that a client should have accommodation with its own front door; this will be because, due to the nature of their offences, they would represent a danger to anyone they shared accommodation with. Fortunately, not too many such clients are under 25 (with serious offences, they are likely to still be in prison at 25) so we rarely face this. However, a good number of these will be between 25 and 34.*
- The only way round this is to successfully claim a discretionary housing payment – there is no guarantee of getting one of these and they are reviewed after 6 months.*
- Already, landlords and letting agents are telling us that they don't want to house 25-34 year-olds in self-contained properties even though the change is not due for another year; this is because, understandably, they don't want to be in the position of having to evict large numbers of single people.”* Homelessness and Criminal Justice Service, London

8.3 Communities experience disruption from shared accommodation, even where there are no support needs. Multiple occupation by people with histories of offending, addiction and long standing mental health problems would be bad news for neighbourhoods as well as the individuals concerned.

8.4 A number of additional concerns have been raised by homeless agencies, which are outlined below:

- The potential impact of visitors on other tenants in a shared house may lead to conflict and lack of safety and security, particularly if the number and frequency of visits trying to gain access is high.
- Shared bills and issue with managing money when there is a shared responsibility with others and higher risk of arrears and eviction as a result.
- Sharing facilities (kitchen/bathroom) – this is often a flashpoint for aggression, and often cited as a reason for leaving a tenancy or for eviction.
- Noise nuisance generally in shared houses can be considerable and can lead to arguments, fear, isolation - and exacerbates mental health problems and "self medicating".
- Rooms in shared houses do tend to be cramped, which means less space for household items like a freezer, this pushes up the cost of making meals on a budget.
- Safeguarding issues for single females.

“This will have a great impact on our service users, as many of them are within this age range and they may have a variety of issues that restrict them from opting for a shared property. Some of them have children who will be unable to visit if they share with others, many have mental health problems that could make living with others difficult, and many have had past experience that would make them generally uncomfortable sharing a room/property. This would make it more difficult for our service to be able to help the service users to find housing, and in the longer term it would mean that our provisions will be stretched as we will have more people sleeping rough in the area.” Homelessness service, East Midlands

9 LACK OF ALTERNATIVE RESPONSES TO MEET INCREASED DEMAND

- 9.1 Currently Homeless Link is being contacted by a number of agencies and Local Authorities to ask for alternative solutions for the people who will find themselves unable to afford their accommodation as a result of Shared Accommodation Rate. Some areas are attempting to facilitate sharing from hostels based on previous contact. Other agencies are stating that they have already started to find it difficult to place under 35 year olds in the private rented sector or are only offering people under 35 shared accommodation.
- 9.2 The Government's main mitigation has been to say that apart from those groups already exempt from the Shared Accommodation Rate, there are Discretionary Housing Payments available for those in difficulty. However, considering the wide ranging changes in Housing benefit being introduced we believe the Discretionary Housing Payment pot will be insufficient in the scale of demand for help.

"There is a large gap in the market for bedsits and single room lets. The increase in age will see a larger number of people unable to access affordable housing. There is a lack of "move on" ethics in regard to this proposal. The needs of a 34year old are very different from the needs of an 18year old and this has not been catered for in any shape or form. We expect to see an increase in rough sleeping as we already have an issue with young people saying they would rather sleep rough than in some of the bedsits in poor state of repair and the less responsible landlords."
Homeless Service North East England

10 RECOMMENDATIONS

Homeless Link recommends a number of solutions to ensure the potential negative impacts of these changes are minimised.

- 10.1 We oppose the introduction of the Shared Accommodation Rate extension to under 35 year olds. We do not believe that it will have the desired impact, but will only lead to increased homelessness.
- 10.2 Should it not be possible to remove the extension of the Shared Accommodation Rate, then we would at the very least want to see exemptions for vulnerable and disadvantaged groups put in place such as:
- People who are moving to the Private Rented Sector Accommodation from accommodation designated for homeless people such as hostels, second stage supported accommodation or night shelters
 - People who are moving to Private Sector Rented Accommodation who have a past history of rough sleeping, confirmed by services commissioned to work with homeless people.
 - People moving to Private Sector Accommodation who have a past history of single homelessness and who have been receiving support from commissioned services linked to this vulnerability
 - People paying rent in public or voluntary sector accommodation with a past history of rough sleeping or receiving support from commissioned services linked to their vulnerability to homelessness where the Shared Accommodation Rate would otherwise apply.
- 10.3 If these changes are introduced there needs to be transitional arrangements for current tenants of at least one year so that those in studio or one bedroom flats do not face a steep reduction in their Housing Benefit overnight and to better ensure they avoid arrears, eviction and the risk of homelessness.

We would be happy to discuss any elements outlined in this submission with the Social Security Advisory Committee at their convenience.

Alice Evans

Head of Policy Analysis

alice.evans@homelesslink.org.uk

020 7840 4421 | 07900 264 021 | Homeless Link, Gateway House, Milverton Street, London, SE11 4AP.

www.homeless.org.uk | www.twitter.com/homelesslink