

Housing homeless families

Local authorities and housing associations working together to rehouse families in forever homes

April 2022

Introduction

With historically high numbers of homeless families currently living in temporary accommodation, the National Housing Federation wanted to better understand how social housing is allocated to homeless families. We wanted to understand the difference that housing can make to people's lives, and how housing associations and local authorities can work together to support more people out of homelessness.

We carried out in-depth, qualitative interviews with staff from nine housing associations and eight local authorities, and three families who had experienced homelessness and were now tenants of one of the housing associations.

This executive report highlights the key findings of our research and presents our recommendations for local authorities and housing associations, and the Department for Levelling Up, Housing and Communities (DLUHC) and the Department for Work and Pensions (DWP). It includes:

- Summary of findings
- What do we mean by allocations?
- The combined impact of housing need, supply and affordability
- How are homeless households allocated homes?
- Easing the personal toll of homelessness
- Partnership working and information sharing
- Support for homeless families accessing social housing
- Recommendations

Summary of findings

Housing associations and local authorities are both committed to preventing and alleviating homelessness. Our research shows good practice in housing associations and local authorities working in partnership, with their biggest constraints coming from the national policy environment. This includes fewer truly affordable social rent

homes being built, restrictions on levels of benefits for recipients, and reductions and removal of ringfencing for homelessness support funding.

We found that both local authorities and housing associations are managing high demand and severe pressures on social housing, including trying to match households to homes that best suit their needs. We found no evidence that homeless applicants are 'screened out' of social housing - instead we found that housing associations consistently let nearly a quarter of homes to homeless households.

From our research, we believe that more that can be done to ensure allocation policies and practice help local authorities and housing associations find homes that meet the needs of homeless households. Closer partnership working between housing associations and local authorities would maximise the opportunity social housing provides to prevent and address homelessness. This includes sharing information on applicants and considering whether more can be done to prioritise homeless households getting a new home.

Yet without an increase in social housing supply, accommodating more homeless households will make it even more challenging to find homes for others in urgent housing need. And adequate benefit levels and support, including help with the cost of moving and furnishing a new home, are critical in ensuring homeless households settle in to their new home and aren't exposed to the risk of repeat homelessness.

What do we mean by allocations?

Allocations is the process of matching people in need of social housing with available homes. The process has three distinct stages:

- First, a household qualifies for social housing by meeting the requirements to join the local authority housing register or a housing association waiting list.
- Second, a household is nominated, or reaches the top of the waiting list, for a home.
- Third, a household is offered a home by a housing association or local authority.

Local authorities must have an allocations scheme for determining priorities and procedures around allocating accommodation. There is no one system of allocations across the country, or even within a local authority area. The allocation scheme will be determined by a local authority, in consultation or partnership with housing associations. While there is discretion to determine local exclusions and priorities, schemes must give reasonable preference to statutorily homeless households.

Housing associations might allocate homes through a common allocations framework shared with the local authority and other housing associations, through a local authority's allocations scheme, or using their own allocations policy. Local lettings policies might also be used for specific schemes.

The combined impact of housing need, supply and affordability

Local authorities and housing associations are working in a pressured system. In 2020/21, local authorities in England recorded nearly 271,000 homelessness duties owed to households. Numbers of homeless households living in temporary accommodation has been rising since 2006, with 96,060 households (including 121,680 children) in England living in temporary accommodation in September 2021. There are currently 1.18 million households in England on local authority social housing waiting lists. The NHF's People in Housing Need research found there are 4.2 million people in England in some form of housing need for whom social rented housing would be the most appropriate tenure to address their need.

Demand for social housing outstrips supply. The number of social housing lets made each year has fallen from 397,000 in 2013/14 to 306,000 in 2019/20, a 23% decrease. Changes to Affordable Homes Programme grant funding for building affordable housing has led to fewer social rent (set at around 50% of market rent) and more affordable rent homes (set at up to 80% of market rents) being built. New social rent homes fell by 85% as a result of these changes, from 39,562 built in 2010/11 to 5,955 in 2020/21. Right to Buy has also led to a loss of council housing that is not being replaced. We face a crisis in supply of social housing.

This demand and restricted supply create challenges in managing who qualifies and should be prioritised for such a scarce resource. Social housing is allocated on need, with legislation giving priority to people in certain circumstances, such as homeless households, people living in overcrowded accommodation, and those who have an urgent need to move on medical grounds.

Although the number of social housing lets available is falling, the proportion of homeless households that move into rented social housing each year remains relatively stable. Housing associations are consistently letting nearly a quarter of new general needs social rented homes to homeless households every year, rising to well over a third when supported housing is included. This suggests housing associations continue to balance demand for homes from homeless households with demand from others in housing need.

Despite this, the decreasing number of social housing tenancies and high numbers in housing need mean that greater supply is urgently needed. Research for Crisis and the NHF found that to meet housing need in England it will be necessary to build 145,000 affordable homes each year, including 90,000 for social rent. Further analysis carried out in 2019 suggested building these homes would require £12.8bn in grant a year. Current grant levels are £11.5bn from 2021-26, only half of which is for homes for (mostly affordable) rent. In 2020/21, an additional 52,000 affordable homes were created. Housing associations are ready to work with local authorities and government to build the right homes for those who need them, but there is not enough funding to meet demand.

We heard that housing associations and local authorities share the same goal, to end or prevent homelessness, but may have different understandings of how to achieve this. Families might also disagree with what constituted a suitable offer of accommodation to end their homelessness. Our research indicates that local authorities we spoke to are increasingly focused on allocations meeting the most extreme housing need, such as homelessness, and reducing pressure and costs around temporary accommodation. This is understandable, given the impact on family health and education from living in temporary accommodation long-term. Housing associations must balance this alongside meeting all types of housing need amongst new and existing tenants, preventing homelessness through sustained tenancies, and regulatory requirements. Allocations involved local authorities, housing associations and families finding the middle ground.

Another vital factor to consider is affordability. Affordability is a key consideration of whether an offer of accommodation is suitable for a homeless household. Limits to benefits introduced in 2012, notably the two-child limit, removal of the spare room subsidy, and the benefit cap, has reduced income for some households on benefits. Local housing allowance rates also limit what private sector rents people on benefits can afford.

Changes to welfare and introduction of affordable rent homes mean some households might struggle to afford social housing, particularly in high-cost rental areas like south east England and London. An inability to afford social housing is extremely worrying. Social housing is often the most affordable tenure of housing and is intended for those who can't access homes on the open market. As one interviewee said, if someone cannot afford a social tenancy then where can they go?

Local authorities must consider by law whether a homeless applicant can afford the housing costs of accommodation offered without being deprived of basic essentials, such as food. Housing associations didn't always undertake their own affordability

checks. Where they were used, it helped ensure people were getting all benefits to which they were entitled.

The crisis in supply and affordability creates less choice in allocations. It makes it more challenging to find suitable accommodation for families and move people out of temporary accommodation quickly. Despite these challenges, we found great examples of local authorities and housing associations working together to improve affordability. This included committing funds to reduce affordable rents to cheaper social rents and using Discretionary Housing Payments to help clear arrears or pay for any rent due at the start of the tenancy.

Overall, however, the constraints of this policy environment, including the reduction in funding to support for homeless households, make it difficult for both housing associations and local authorities to deliver on allocations and homelessness.

These issues can't be solved by local authorities and housing associations alone. Government funding is needed to fix them.

How are homeless households allocated social housing?

Homeless households have a slightly different allocations process to other applicants for social housing, governed by different legislation. The Housing Act 1996 states homeless households must be given urgent priority to move, through reasonable preference. Under legislation, an offer of suitable accommodation, whether accepted or refused by the homeless applicant, will end the local authority's duty to house them.

Where social housing is appropriate, local authorities will nominate households for a social housing tenancy. Nominations from local authorities to housing association homes might come through direct lets (either people reaching the top of the waiting list or a more sophisticated process of matching) or a choice-based lettings (CBL) system. Local authorities might bid on behalf of homeless applicants in CBL systems, which might mean families want to refuse the subsequent offer of accommodation from a housing associations as they hadn't chosen this home. Families we spoke to, where part of a CBL, were active bidders. But we heard families might feel pressure to bid and move on from temporary accommodation quickly. They were encouraged by some local authorities to accept accommodation they didn't want and later appeal the offer on grounds of reasonableness.

Allocations worked well where policy was flexible to circumstances and allowed decisions on a case-by-case basis. On the other hand, at times flexibility could also be seen as unfair. Families thought it suggested the system was flawed. Housing

associations said that flexibility for homeless households might be unfair to existing tenants who were in housing need and waiting for an alternative home. In addition, altering bedroom standards when a home of the right size wasn't available for a homeless family could lead to overcrowding, meaning a home was not suitable for the household in the long-term or it was not reasonable for them to remain in the home, risking a homelessness application.

Easing the personal toll of homelessness

Families felt “put into boxes and treated like a number” by allocations. Homelessness left them angry, stressed, anxious and confused. They described feeling alone and reported that they suffered heart palpitations and panic attacks during the process.

Local authorities described how complicated and bureaucratic the landscape around homelessness and allocations is. Families we spoke to had never experienced homelessness before and needed the process and options explained to them. They wanted to be listened to and treated as individuals. Where this happened, they were full of praise for the service they received.

Families also described financial burdens from multiple moves, buying furnishings, and storage of any furniture. Housing associations and local authorities were trying different ways to address this, including grants, furniture packages, and (for housing associations) providing carpets and curtains in relet homes.

Partnership working and information sharing

The separation of duties and responsibilities around homelessness, allocations, and ownership of social housing necessitates partnership working. Our research finds this works best when there are strong relationships and information is shared between parties.

This is not a ground-breaking finding. Local authorities and housing associations are already working together to share information and discuss cases in many ways, including local forums, steering groups, and task and finish groups for specific issues.

However, local authorities and housing associations did not always share information needed around allocations. Local authorities may not share details of the applicant (notably their homeless status), while housing associations may not share the reason why a nomination was refused. This could lead to a family's priority status or qualifying property size being changed, causing stress and confusion. Families also had to repeat their situation to different council departments or to the housing

association, which was frustrating and meant work was being duplicated. UK General Data Protection Regulations might also prevent information sharing where an individual withheld consent.

For allocations to work well between housing associations and local authorities, it required oversight and regular communication of issues between partners. This could be through local authorities funding a dedicated member of staff to oversee their allocations policy, maintenance of the housing register, alongside panels or forums with housing associations, and regular reviews of experiences of service users. We found evidence that the more a housing association is involved in strategies and individual cases of local housing need (such as through forums and panels), the stronger the relationship with local authorities and the faster homeless families could be rehoused.

But, as one local authority said, when everyone was cut “down to the bone” it could be difficult to link up and achieve successful outcomes. Funding for responding to the coronavirus pandemic led to new opportunities and projects, with transformational results and greater partnership working. This shows how funding (and closer partnership working due to the crisis) can unlock potential.

Support for homeless families accessing social housing

Local authority allocations policies might set out criteria that disqualifies somebody from accessing the housing register. Housing associations might also have exclusion criteria as part of their allocations policy. Such exclusions were intended to account for the interest of the community as a whole. They served to restrict social housing to those in the greatest need who would sustain a tenancy.

Households with more complex housing histories might need support to address issues that prevented them accessing the housing register or being offered housing. Before making offers, housing associations considered whether a household would likely to sustain a tenancy, even with the right support, or whether they would be better to wait for a more suitable home to become available. Housing associations didn't want to risk households moving in and out of homelessness. Eviction was seen as an organisational failure and housing associations sought to work with tenants to address problems that might cause a tenancy to fail. Housing associations might 'skip' an applicant when shortlisting or suspend a bid or nomination if they didn't consider it suitable at offer stage, perhaps because the property was too small. Criteria around any reasons for exclusions were set out in allocation policies. Local authorities challenged any nomination refusals by housing associations that they thought was unreasonable, part of the negotiations and partnership working needed

for allocation. Families were also likely to refuse an offer if it wasn't in their preferred location or the house wasn't suitable in some other way.

Local authorities must undertake checks when someone applies for their housing register, with more detailed checks for anyone who makes a homelessness application. Many housing associations also undertake pre-tenancy checks. Housing associations who used these said they weren't there to refuse nominations, as has been suggested by some critics, but to help understand more about an applicant. They could then assess whether a home was right for their needs and what support they could put in place to sustain the tenancy, such as help maximising the applicant's income. The checks updated or filled in gaps in local authorities' information on nominated households.

Information collected through housing association pre-tenancy checks helped connect households up with support to help sustain a tenancy, whether through the housing association or through signposting to external organisations. Offers might be conditional on the applicant accepting a referral for support. In the worst case, where checks showed an offer was not suitable, the applicant would be referred back to the local authority or another housing association would offer a tenancy under reciprocal arrangements.

Cuts and removal of ringfencing in support funding meant local authorities didn't always fund support for homeless people. This meant there was not always the support to address behaviour that led to poor housing history and, therefore, to address concerns that led to disqualifications or refusals. This could mean households waiting in temporary accommodation for longer. When local authorities focused on rehousing people but didn't provide support, it could feel as if responsibility for supporting the (often complex) needs of households were placed solely in the hands of the housing association. To support tenants and prevent homelessness, housing associations often funded tenancy sustainment teams (including floating support).

Recommendations

In response to our findings, we have made a series of recommendations for housing associations and local authorities and for the government, based on the themes of the report, which are:

For local authorities and housing associations:

- Work in partnership to put people at the heart of allocations.
- Share information.
- Ensure consistency alongside flexibility.

- Greater focus on tenancy sustainment in allocations.

For the Department for Levelling Up, Housing and Communities:

- Increase grant funding for new social rented housing.
- More dedicated funding for homelessness support.
- More guidance on tenancy sustainment within allocations.

For the Department for Work and Pensions:

- Review the impact of welfare reform on housing affordability, including allocations.

Local authorities and housing associations

Work in partnership to put people at the heart of allocations

- While we understand there are pressures within the system, local authorities should continually review how they explain the rehousing process and housing options to families.
- Local authorities and housing associations should regularly review whether their policies and practice are joined up with each other, responsive to local housing need and comprehensible for applicants. This includes housing associations working with other housing associations in the areas they operate. The route into social housing needs to be clear to applicants.
- Nomination agreements should be clear about the reasons a nomination can be refused and the process for any disputes. Where a housing association applies its own eligibility criteria, these should be clearly laid out in the nomination agreement and any adverts for available homes.
- Unless it is retained housing that is not subject to local authority nomination rights, housing associations should only be refusing nominations that are unreasonable and not in accordance with the nomination agreement.
- Housing associations should ensure adverts for their homes on any allocations system include information on eligibility, accurate details about the property, and photos of the home for rent.
- Housing associations and local authorities should continue to look at allocations on a case-by-case basis, within the framework of policies, and regularly discuss issues to learn from each other and shape practice, including joint solutions to any issues with rehousing homeless households.
- Local authorities and housing associations should agree a shared understanding of affordability and how to address any issues around affordability.
- With historically high numbers of children living in temporary accommodation, local authorities could work with housing associations to consult on changes

to allocations or introduce pilot approaches that match families with housing association homes to facilitate faster moves out of temporary accommodation. This could include using Discretionary Housing Payments to subsidise affordable rents or to cover void costs if adaptations are needed.

Share information

- Working within UK-GDPR, local authorities need to share more information on the circumstances and needs of homeless households applying for social housing. This should mean housing associations have to undertake fewer pre-tenancy checks and lead to faster, more suitable allocations.
- Housing associations need to share information on any refusals so that they can work with local authorities, families, and other housing associations to overcome barriers to accessing social housing.
- Local authorities and housing associations should have named contacts to coordinate work around housing registers, homeless applicants and allocations.
- Local authorities should regularly maintain and update their housing register, including data sharing consent, checks on affordability and eligibility, and support to address any issues that might prevent applicants being offered a home.
- Local authorities should share with housing associations what their housing register says about local housing need. Housing associations should share details around how lets in the area respond to this local need, including monitoring reasons for refusals of lettings.
- Local authorities and housing associations should work together to understand whether refusals impact particular groups in housing need or the local authority's statutory duties. If issues are found, then they need to work together on solutions.
- The NHF is working on advice around UK-GDPR and the Commitment to Refer to ensure that it works to prevent homelessness before crisis point.
- In accordance with statutory guidance, local authorities should also review processes to ensure that all Part 6 applications by households who might be homeless, or threatened with homelessness, trigger an application for homelessness assistance (where a Part 7 application has not already been made). Our research found evidence that this does not always happen, meaning assistance for homeless households is delayed.
- Local authorities should train partners, such as refuges, to provide assistance, or knowledge of assistance, when making homelessness applications.

Ensure consistency alongside flexibility

- Homeless households are not the only households who have an urgent need to be rehoused. Nominations agreements and allocations need to strike a balance between the needs of existing tenants in severe housing need, homeless households and other people on the housing register with an urgent need to move.
- Local authorities and housing associations should make any exemptions to standards or policies clear, so that an individual applying for social housing understands how it might apply to their circumstances and can ascertain their chances of success.
- Local authorities and housing associations need to continue to ensure that households are supported to understand their rights and responsibilities around allocations and homelessness, including what to do if they disagree with a decision.
- Local authorities and housing associations should ensure households do not incur charges from providing proof to support a homelessness or housing application.
- Local authorities could consider working at a subregional level when it comes to allocations. This should ensure a more consistent approach across the local housing market and facilitate partnership working with housing associations and local authorities.

Greater focus on tenancy sustainment in allocations

- Local authorities should work with families and housing associations to sustain tenancies, such as by using Discretionary Housing Payments to guarantee rent, cover removal costs and pay for any rent needed at the start of the tenancy. They should also investigate funding furniture packages and, if not used already, commissioning support.
- Housing associations should use pre-tenancy support (such as tenancy ready courses) and tenancy sustainment tools, as well as work reciprocally with other housing associations in the area to accommodate tenants with a poor housing history. Housing associations' provision of tenancy sustainment is critical to homelessness prevention.
- Housing associations should investigate the impact furnished tenancies and enhanced void standards have on tenancy sustainment to prevent homelessness.

For the Department for Levelling Up, Housing and Communities

Increase grant funding for new social rented housing

- DLUHC must provide more grant funding for new social rent homes for housing associations to provide enough homes that homeless households (and others in housing need) can afford and want. Our analysis from 2019 suggests that building the 90,000 social rent homes we need each year requires £12.8bn in grant a year.
- If nothing changes with funding for social rent then the government must investigate how the allocations system can best meet demand, including whether homelessness should be given additional preference over other types of housing need.

More dedicated funding for homelessness support

- We are calling on the government to release more funding that will support families to move out of temporary accommodation and fund tenancy sustainment teams within local authorities that prevent homelessness.

More guidance on tenancy sustainment within allocations

- There is no requirement for local authorities to look at whether a person will sustain a tenancy as part of suitability of accommodation offers to homeless applicants, or through their allocations scheme. Sustaining tenancies is important to prevent homelessness, particularly repeat homelessness.
- We would like good practice examples from DLUHC on how local authorities should consider tenancy sustainment in allocations.

For the Department for Work and Pensions

Review the impact of welfare reform on housing affordability, including allocations

- Ten years after the introduction of welfare reforms, DWP should publish a review of the impact of these changes on housing affordability, including access to social housing and rent arrears.
- DWP should continue to work with the social housing sector to examine how welfare policy can restrict housing associations making best use of their available homes.