

# Homeless Link's Submission to the Work and Pensions Select Committee: Welfare Safety Net Inquiry

## Introduction

1. Homeless Link is the national membership body for frontline homelessness agencies and the wider housing with health, care and support sector. We represent around 750 organisations providing supported housing and homelessness services across England. We work to improve services through research, information, training and guidance, and to promote policy change that will ensure everyone has a place to call home and the support to keep it.
2. A sustainable home and a job is the best route out of homelessness, and people who are homeless may need a range of support to help them achieve this - improving poor health, overcoming substance use, and moving on from offending. This is why each year a range of homelessness services play a critical role in recovery, helping thousands of people leave homelessness behind and preventing many more losing their homes in the first place. An adequate welfare safety net for those not yet able to work is essential to prevent people falling into crisis and homelessness and to ensure there are adequate living standards for all,
3. We are pleased the Committee is looking at the welfare safety net and its links with homelessness and welcome this opportunity to make a submission. We have a long history of presenting evidence to the Committee, as well as working constructively with the Department of Work and Pensions (DWP) on issues pertaining to homelessness and employment. This has included working with the DWP to develop their recent guidance 'Universal Credit and homeless people: guide for supporting organisations,' and two joint initiatives between Homeless Link and DWP:
  - Development of an easement to Job Seekers Allowance (JSA), Employment and Support Allowance (ESA) and Universal Credit (UC) rules to allow "newly homeless" people a period of time where they will be taken out of job-seeking conditionality in order that they can focus on immediate accommodation needs. This led to a change in the law in June 2014.
  - A series of events entitled "Working Together" delivered by Homeless Link and DWP, aimed at improving joint working between homelessness organisations and Job Centre Plus (JCP) at a local level. The events led to the publication of a toolkit to assist local partnership development between homelessness and JCP staff, which has recently been updated.<sup>1</sup>
4. We have developed this submission through our on-going work with our member organisations, including regular engagement with frontline staff from across our membership, our National Advisory Council of members, local authorities and welfare advice agencies and a series of focus groups with our Expert Panel, an advisory group of people with lived experience of homelessness. We have also drawn from our recent research *Young and Homeless*,<sup>2</sup> *Preventing homelessness before it begins*,<sup>3</sup> and *Moving on from homelessness*.<sup>4</sup>

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<sup>1</sup> Homeless Link (2018) Working Together Toolkit. Available at <https://www.homeless.org.uk/our-work/resources/working-together-toolkit-developing-relationships-with-jobcentre-plus>

<sup>2</sup> Homeless Link (2018) Young and Homeless, Available at: <https://www.homeless.org.uk/sites/default/files/site-attachments/Young%20and%20Homeless%202018.pdf>

**5. Homeless Link would be glad to elaborate further on any of the information provided.**

**What factors best explain the reported increases in homelessness and rough sleeping?**

6. There are a number of contributory factors leading to increases in homelessness and rough sleeping. There is reduced access to social housing for people on low or zero income, resulting from a lack of stock, long waiting lists, increased use of affordability assessments and requirements for excessive amounts of rent in advance.<sup>5</sup> CIH estimate that between 2012 and 2020, almost a quarter of a million social rented homes will be 'lost', either through right to buy, conversion to affordable rented properties or demolished as part of regeneration schemes.<sup>6</sup> The current shortage of social housing has led to over 1.15 million households on local authority waiting lists, with waiting times running into decades in areas of the highest demand.<sup>7</sup>
7. In many areas, this has meant that most people are looking to the private rented sector for long term accommodation.<sup>8</sup> However, the introduction of caps to Local Housing Allowance (LHA) has rendered housing unaffordable for many people, since LHA rates do not meet rental levels in many areas.<sup>9</sup> Allied to this, the introduction of the Shared Accommodation Rate (SAR) for people under 35 has further pushed accommodation into unaffordability<sup>10</sup> and there is also often a lack of availability of shared housing. Low LHA rates threaten to stifle innovation in the sector by making it difficult for organisations to use private investment to increase the supply of PRS accommodation where high rental costs render return on investment minimal.<sup>11</sup>
8. Outside of London, two out of every three LHA rates for shared accommodation have a weekly gap of £4 or more. Tenants are expected to make up any gap out of their jobseeker's allowance (JSA) or other basic benefits, which have also been subject to the uprating freeze and are now only worth 93% of their 2012 value.<sup>12</sup> Although local authorities do have limited budgets for Discretionary Housing Payments (DHPs) to assist households affected by welfare reform, in 2017/18, they spent less than the amount allocated for DHPs in respect of the Benefit Cap, 81% for the Bedroom Tax, and 76% for the LHA. 229 authorities spent less than their DHP allocation, with a total under-spend of around £8.6 million.<sup>13</sup>
9. The unavailability of social housing, and the unaffordability of the private rented sector due to freezes to LHA and other working age benefits and the lack of take up of DHPs, in turn increases demand on

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<sup>3</sup> Homeless Link (2018) Preventing homelessness before it begins. Available at <https://www.homeless.org.uk/sites/default/files/site-attachments/Prevention%20research%202018.pdf>

<sup>4</sup> Homeless Link (2018) Moving on from homelessness - How services support people to move on. Available at <https://www.homeless.org.uk/sites/default/files/site-attachments/Moving%20on%20from%20homelessness%202018.pdf>

<sup>5</sup> ibid

<sup>6</sup> CIH (2018) 'More than 150,000 homes for social rent lost in just five years, new analysis reveals' [http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/More\\_than\\_150000\\_homes\\_for\\_social\\_rent\\_lost\\_in\\_just\\_five\\_years\\_new\\_analysis\\_reveals](http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/More_than_150000_homes_for_social_rent_lost_in_just_five_years_new_analysis_reveals)

<sup>7</sup> Centrepoin (2018) Ready to Move On, Available at <https://centrepoin.org.uk/media/3048/ready-to-move-on.pdf>

<sup>8</sup> Homeless Link (2018) Preventing homelessness before it begins. Available at <https://www.homeless.org.uk/sites/default/files/site-attachments/Prevention%20research%202018.pdf>

<sup>9</sup> Crisis (2018) Everybody In, Access at [https://www.crisis.org.uk/media/239633/everybody\\_in\\_how\\_to\\_end\\_homelessness\\_in\\_great\\_britain\\_2018.pdf](https://www.crisis.org.uk/media/239633/everybody_in_how_to_end_homelessness_in_great_britain_2018.pdf)

<sup>10</sup> Homeless Link (2018) Preventing homelessness before it begins. Available at <https://www.homeless.org.uk/sites/default/files/site-attachments/Prevention%20research%202018.pdf>

<sup>11</sup> Homeless Link (2018) Moving on from homelessness - How services support people to move on. Available at <https://www.homeless.org.uk/sites/default/files/site-attachments/Moving%20on%20from%20homelessness%202018.pdf>

<sup>12</sup> Crisis (2018) Everybody In, Access at [https://www.crisis.org.uk/media/239633/everybody\\_in\\_how\\_to\\_end\\_homelessness\\_in\\_great\\_britain\\_2018.pdf](https://www.crisis.org.uk/media/239633/everybody_in_how_to_end_homelessness_in_great_britain_2018.pdf)

<sup>13</sup> Wilson, W. (2018) Discretionary Housing Payments, House of Commons Library, Available at <http://researchbriefings.files.parliament.uk/documents/SN06899/SN06899.pdf>

homelessness accommodation projects. However, there has been a reduction in the number of homelessness accommodation projects (-5%) available to single homeless people, with the number of bed spaces decreasing by 3% in the past year (now standing at 34,497 in total). 39% of homelessness accommodation providers have reported a decrease in funding over this period.<sup>14</sup>

10. Where people are ready to move on from homelessness, some are unable to not only because of the unavailability of social housing and the unaffordability of the private rented sector, but also because they are unable to make and maintain a Universal Credit claim [see following questions]. This further contributes to the high numbers of people experiencing homelessness.

## Do Jobcentre Plus (JCP) procedures and benefit delays play a role?

11. Our recent research has found that administrative changes and delays under Universal Credit are negatively impacting young people's access to housing; 92% of the local authorities and homelessness providers stated that delays were impacting on young people's ability to access and sustain accommodation in their area.<sup>15</sup>
12. Accessing JCP safeguards, exemptions and other relevant procedures (for example Alternative Payment Arrangements, Advance Payments, tailored Claimant Commitments, Easements to Conditionality) are crucial for individuals so they have income for fuel, food and housing. These safeguards require DWP staff to identify people as homeless, or for people experiencing homelessness to pro-actively disclose their housing status or support needs. JCP procedures for identifying people are currently not sufficiently robust, with many people not being identified and so not receiving their entitlements.

*"... claimant commitments are often not realistic for claimants to meet. This is usually because the claimant has failed to disclose key support needs/vulnerabilities at the time their claimant commitment is determined – the claimant commitment interview. If these disclosures are made correctly it is more likely that claimants will have suitable accommodations being put in place, e.g. digital support for those who are digitally excluded to manage their claim, but this is often not the case. This is especially problematic where clients lack insight into their own support needs and cannot self-advocate."*

13. Members have highlighted that a cause of this may be low levels of understanding amongst Jobcentre Plus staff around both homelessness, and the availability of safeguards and exemptions to standard procedures. Increasing workloads placed on JCP staff can lead to a lack of time to develop skills and little time to develop relationships with claimants, particular at the outset of a claim.

*"Job centres can be obstructive when working with homeless people and don't seem to understand the issues homeless people face organising the most simple life admin. That said having spoken to some of the job centre advisers it would seem that staff lack of knowledge of UC seems to play a big part in problems homeless people face. Homeless people I have worked with have been on open ended sanctions being bounced between job centres and Main call centres, been given poor/incorrect advice and felt like the job centre staff didn't want to help them."* **Service Manager – Supported Accommodation project**

14. In turn, front-line workers from homelessness projects have identified having to dedicate increased resources to support claimants, correct administrative errors and appeal decisions. This means workers have less time to spend to support people move on from homelessness.

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<sup>14</sup> Homeless Link (2018) Support for single homeless people in England: Annual Review 2017. Available at: [https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review%202017\\_0.pdf](https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review%202017_0.pdf)

<sup>15</sup> Homeless Link (2018) Young and Homeless, Available at: <https://www.homeless.org.uk/sites/default/files/site-attachments/Young%20and%20Homeless%202018.pdf>

15. Members have noted some improvements in working practices which have enabled claimants to receive appropriate support from DWP and thus a platform from which to move on, for example the introduction of vulnerability workers within JCP. A number of specific JCP were particularly commended:
- i. Lancashire Women's Centre have formed partnerships with 26 JCPs in Lancashire and Cumbria, working to support clients coming out of prison with benefits and housing.
  - ii. Havering JCP regularly attends their local Homelessness Forum and have set up a working group relating to mental health and homelessness, allowing a collaborative approach between the JCP and homelessness agencies.
  - iii. Oxford JCP hold stakeholder meetings with the homelessness sector and have complex needs case officers joining homelessness staff on outreach shifts. Local organisations have reported a marked difference in the experience of clients accessing their service.
  - iv. Eastbourne JCP worked with the Fulfilling Lives project to assess whether their building was a Psychologically Informed Environment, and have proactively implemented suggested changes.

### **What role does Universal Credit play in in relation to homelessness and rough sleeping? Could Universal Credit be changed to tackle rough sleeping and homelessness?**

16. The level of income that people receive through Universal Credit, and the inaccessibility of making a claim for Universal Credit for some vulnerable people, means that some do not have an income to pay for food, fuel and housing, and are thus at risk of homelessness, or where already homeless are unable to move on.
17. Few people experiencing homelessness have savings or support from family. The five-week wait for the first payment of Universal Credit, therefore, necessitates individuals to take out an Advance payment to cover food, fuel and housing costs. This must be paid back, however, the level of monthly benefit is such that repayments push people into debt. We have heard examples of individuals who have suffered increased anxiety, excessive weight loss, heightened occurrence of suicidal thoughts, become reliant on foodbanks, run up huge arrears, or been served with notices of eviction whilst waiting for their first payment. Reductions through sanctions can further leave people without enough income, in spite of safeguards such as Hardship payments.

*"One formerly homeless client [ ] went without electricity and heating in his accommodation over winter because deductions from his UC payments were so significant that 6 months after his UC payments had started he still did not have enough income to cover essentials each month."* **Employment Coordinator – Homelessness Outreach project**

*"All in all, a system that is meant to be supporting people to get on with life, is more often than not furthering the cycle of homelessness (because the minute they are sanctioned, notification is sent to the local authority who suspend their HB, or now with this coming directly out of the DWP under Universal Credit, even worse), criminal activity, unemployment, increased levels of Mental Health issues and more."* **Housing Needs Officer - Local Authority**

*"Landlord we have worked with over long periods of time who were willing to accept homeless people claiming housing benefit are now saying they will not accept Universal credit claimants. This causes homeless people to be on the streets for longer. We have clients who have been in tenancies for long periods of time but then put onto Universal credit and for various reasons have accrued rent arrears and been evicted onto the streets."* **Service Manager – Supported Accommodation project**

18. There are a number of assumptions and requirements within Universal Credit which are at odds with the lived experiences of many homeless people. These requirements, therefore, render Universal Credit inaccessible to many, leaving them with no financial support from the welfare safety net.
- i. Universal Credit requires people to have a level of literacy and ability to identify errors where they arise and act upon them. However, 51% of people experiencing homelessness lack the basic literacy skills needed for everyday life; people with cognitive impairments, or who lead chaotic lifestyles, can also experience problems remembering basic information, including passwords. For those who are unable to rely on support from family, friends or outside help these issues take on increased significance, and if unaddressed potentially leave people unable to open and maintain a claim.
  - ii. Universal Credit operates a 'digital by default' model which presumes that most benefit claimants can use IT to manage their claims and undertake activities in standard claimant commitments, such as using a browser, creating an email, completing and reviewing an online form, monitoring account, communicating via a journal and uploading documents. Clients who are unable to have not being able to access support through JCP.
  - iii. Further, people experiencing homelessness will often have limited access to computers, increasing their reliance on access to IT facilities in libraries and other public spaces, which can impose time limits too restrictive to make a claim. Although potential claimants can now use phone lines, people experiencing homelessness often do not have mobile phones, and access to public phones is limited.  
  
*"Cyber cafes cost, and are quite rare now. Libraries often booked up and are time-limited."*  
**Homeless Link Expert Panel member**  
  
*"Libraries have shut down and the ones that haven't require membership, which needs proof of address. If you don't have an address this can be hard."* **Homeless Link Expert Panel member**
  - iv. Universal Credit presumes people have access to a bank account, however, many people experiencing homelessness find it extremely difficult to open a bank account, primarily because of problems in obtaining an adequate proof of address which a bank will accept. It can be equally hard for a person living in a hostel and/or supported housing to open an account, due to a lack of supporting documentation. Although it is possible to use a Post Office accounts, Work Coaches have insisted to many that a bank account is required, leaving people with no way of receiving their payment.
  - v. Universal Credit also introduces new requirements around budgeting, with housing payments no longer (by default) going to landlords, and payments being made monthly and in arrears. Budgeting on Universal Credit from the beginning of a claim can be impossible for some; low levels of payment mean individuals will have to manage a deficit budget, and those who do not get paid monthly will see fluctuations in their payments. 78% of respondents in our Young and Homeless research reported direct payment of housing costs to the tenant as impacting on young people's access to housing and 75% highlighted the impact of arrears in monthly payments.<sup>16</sup> Further work has identified that Alternative Payment Arrangements, which could support claimants, are not offered at

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<sup>16</sup> Homeless Link (2018) Young and Homeless, Available at: <https://www.homeless.org.uk/sites/default/files/site-attachments/Young%20and%20Homeless%202018.pdf>

the outset of a claim. This may relate to identification procedures not being robust, and a lack of understanding about these mechanisms.

*“Personally, being homeless at 17, I found it extremely difficult to budget because I just didn’t have enough. Even though I received income support (£200 per month), I was 17, in college and living off of £37 a week (-£13 service charge) to pay for travel, food, phone credit, books and any other supplies I needed. I found it impossible to stick to a budget for two reasons; 1. It was near impossible to live off £148 per month (-£52 Service charge) and 2. I did not learn budgeting skills and financial education skills before I became homeless and in most of my young adult life I truly struggled with budgeting and any financial responsibilities.”* **Homeless Link Expert Panel member**

*“Where can you store an economic monthly shop if you’re rough sleeping? - you have to buy food daily, often cooked/takeaway-far more expensive.”* **Homeless Link Expert Panel member**

*“As soon as you meet someone on a zero hour contract your heart sinks’. It could be 4 hours one week, 40 hours the next, you can’t budget around that.”*

- 19. For Universal Credit to tackle rough sleeping and homelessness, investment will be required so that claimants are able to meet the costs of food, fuel and housing. In particular, this will mean reviewing the maximum level of LHA, and removing the five week wait for first payment for both new claimants and those migrated onto Universal Credit.**
- 20. Further, Universal Credit must be accessible and responsive to the differing requirements of individuals. Of urgency, reform is needed so that Universal Credit supports individuals towards the attainment of IT literacy and money management skills, rather than requiring these skills from the outset. This will require investment in effective support, and alternative methods of making and maintaining a claim for those without access to IT, such as home visits, improved availability of phone support, and reviews of explicit consent procedures. To further support money management, claimants moving on to Universal Credit should receive Alternative Payment Arrangements by default, with the opportunity to opt-out, rather than the current mechanism which requires individuals to both understand exemption processes and be able to disclose any vulnerabilities.**

## Contact

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## What we do

Homeless Link is the national membership charity for organisations working directly with people who become homeless or who live with multiple and complex support needs. We work to improve services and campaign for policy change that will help end homelessness.

# Let's end homelessness together

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