



**Community
Foundation**

Northumberland's

Vital Issues 2017

Housing and homelessness

1 Housing and homelessness

1.1 Overview

Housing shortages and homelessness have been big issues in England for several decades. Fortunately housing remains relatively affordable in Northumberland. However, factors including changes to benefit eligibility rules and the impact of private buy-to-let purchasers on the housing market have meant that the homes have become less affordable and available in many parts of the UK, including Northumberland. The extent of the homeless problem within the county is somewhat difficult to gauge, but is likely to be higher than official figures suggest and youth homelessness is a particular concern.

1.2 Dwelling stock and tenure

Dwelling stock is the term used to refer to self-contained living spaces in permanent buildings, of which there are 152,180 in Northumberland. The make-up of Northumberland's dwelling stock is pretty well in line with that for the UK as a whole.

Table 10 – Dwelling Stock, 2016

	% Northumberland	% UK
Local authority	5.6	6.8
Social landlords	11.5	10.5
Other public sector	<.1	.2
Private sector	83	82

Tenure refers to the arrangements by which people occupy their homes. Here data from the 2011 Census suggests there is a marked contrast with the rest of the North East, in that there is a higher rate of owner occupation compared to renting: the figure for owner occupation was 66% which is higher than both the North East and national rate. Around 32% of households were in the rental sector. Private renting was lower than for the UK, and in line with the regional figure. Social renting was higher than for the country as a whole, but significantly lower than elsewhere in the North Eastⁱ.

1.3 Average property prices

The NE region has not witnessed the sharp rises in property prices seen elsewhere in the country over recent years. Prices in Northumberland, whilst comparatively modest, have risen in the past ten years. However the mean price has increased by just 12.5% compared to 35% in the rest of England. However, house price alone does not provide a good indication of affordability, which is better assessed using a ratio of house prices to local earnings. Applying this measure reveals that the affordability of housing in Northumberland is falling at a higher rate than both in the rest of the North East and the country as a wholeⁱⁱ.

1.4 Rental market

The amount rented property costs depends to a large extent on the landlord. Private registered providers (housing associations) and local authorities tend to be cheaper than private landlords. Table 11 shows the average rents in 2015 by landlord.

Table 11 - Average weekly rents by landlord, 2015

	Local authority ⁱⁱⁱ	Housing Association / Private registered provider ^{iv}	Private landlord ^v
Northumberland	£69.57	£77.54	£116

There is anecdotal evidence that the condition of properties in the private rented sector is lower than in the social housing sector^{vi}, and as noted above, the private rented sector is smaller in Northumberland than elsewhere in the UK. One of the barriers to entry into this sector for tenants can be the requirement to pay a bond and/or rent in advance, which is not affordable for many people, including a lot of young people. Programmes have been made available through which previously homeless people could be given the funds for a bond to enable them to access the private rental market.

1.5 Changes to housing and other benefits

Recent changes to eligibility criteria for housing benefit mean that many more people may find themselves unable to secure and maintain a tenancy because they face restrictions to the amount of rent that will be covered through housing benefit:

- single young people aged 18-21 are not eligible for any housing benefit;
- single people aged 22-35 can only get housing benefit to pay for a single room in shared accommodation or a bedsit;
- the introduction of the under-occupancy charge (“bedroom tax”) means that those with more bedrooms than deemed necessary are expected to pay a proportion of their rent themselves;
- the introduction of the benefits cap for those on Housing Benefit and Universal Credit means the total amount payable for all benefits per week is limited to £384.62/wk (or £257.69 for single people without children).

In addition, further issues are caused by:

- most benefits being subject to a freeze until 2020, meaning they will not increase in monetary terms during that time, further reducing the value of the benefits payable;
- the difficulties in rolling out Universal Credit, meaning that claimants wait a minimum of 6 weeks, and up to 12 weeks to receive any benefit, leaving them without any resources to pay rent in the meantime;
- people on Universal Credit receiving a single monthly payment and being expected to budget appropriately, including payment of rent and Council Tax;
- a lack of one-bedroom rental accommodation, meaning some people are locked into larger properties and face having to pay the bedroom tax, while others cannot find suitable accommodation in which to live;
- where new-build accommodation is being created, little is available for rent, with even housing associations only building properties for sale - most people on low incomes are unable to access the finance to buy;
- the number of housing advice and welfare advice agencies is reducing due to austerity cuts, leaving people with no sources of information and advice on issues such as benefit eligibility and their rights - where organisations do still exist their resources are stretched and they are not generally able to provide support to people who have already lost their housing.

As a result, more and more people will struggle to secure a tenancy, meet their monthly rent, and manage their housing costs, leaving them in danger of facing eviction and therefore vulnerable to homelessness.

1.6 Fuel poverty

Fuel poverty is higher than the national average in Northumberland. This reflects the higher cost of oil fired heating and the larger number of houses in the rural areas that have no central heating or insulation. Combined with the county's higher percentage of older people this clearly presents a problem.

1.7 Homelessness

The number of people officially recognised as homeless has fallen in recent years throughout the NE region. This is contrary to the national picture of rising homelessness, however organisations working in the homelessness field argue the recorded figures vastly underestimate the size of the problem due to the tight restrictions on who is counted as 'homeless'. Many people are not eligible to be assessed as homeless, for example anyone deemed to be intentionally homeless (e.g. because of failure to pay rent, or giving up a home where they reasonably could have lived) is excluded from the figures.

Table 12 – Northumberland Council actions in relation to homelessness applications, 2015-16^{vii}

Decisions taken:	
Accepted as homeless and a priority need	5
Eligible but not accepted:	
Homeless and in priority need, but intentionally	12
Homeless but not in priority need	85
Not homeless	74

People who are not officially classed as homeless tend to find accommodation through informal routes. This means they are not supported with practical considerations like ensuring the property is in a fit condition, and that they have access to utilities and have appropriate furniture. Many also end up in shared accommodation, leaving them at risk of exploitation.

Figures from the Local Authority suggest around 56 young people identifying themselves as homeless sought their help in 2015^{viii}. This may well be the "tip of the iceberg" of youth homelessness in the county. There is anecdotal evidence from elsewhere in the region that some young people, females in particular, end up in sex work and/or using sex to secure accommodation simply because they have no other source of income^{ix}.

Your Homes North East produces an annual research report on homelessness in the North East. The findings of the 2015 research is summarised below:

- 41% of the people who approached responding local authorities as homeless in February 2015 were under the age of 25.
- Care leavers and offenders appeared to be the groups of young people who were most likely to ask for housing assistance.

- Young people were most likely to have been living with parents or step parents prior to approaching an agency, with “sofa surfing”/hidden homeless the second most likely option.
- The majority of young people became homeless because a parent/care giver or other relative was no longer willing to accommodate them.
- The most frequently identified need (beyond suitable housing) among young people was a lack of independent living skills, followed by not being in education, employment or training, mental health problems and lack of relationship skills.
- Assisting young people to remain in the private rented sector was the most frequently used prevention activity, followed by conciliation work (including home visits for family/friends threatening exclusion).
- The welfare reforms most frequently identified as affecting young people’s likelihood of becoming homeless or accessing housing were removal of the spare room subsidy, sanctions and difficulties in accessing local welfare assistance.
- The lack of supply of suitable long term housing was widely reported to be the greatest difficulty facing young people.

1.8 Rough sleeping

Recent reports have indicated a massive increase in the number of people sleeping rough throughout the UK^x and there are concerns that this figure will continue to increase with widespread cuts to housing support services traditionally provided or funded by local authorities. By its nature rough sleeping is hard to quantify, particularly in a largely rural county.

Potential roles for philanthropy

- Support for people around housing issues is a priority. The support provided by voluntary services is wide ranging and can include help with identifying housing options; advice on tenancy issues; guidance on clearing mortgage or rent arrears; benefits advice and the provision of mediation between family members.
- Helping people who are homeless but not eligible for support from statutory services has long been a key role for the voluntary sector. Help for young people, who may be at risk of exploitation if left homeless, is an area where philanthropy could make a significant difference.
- Increasing social housing stock by bringing unfit property back into use using charitable funds can help individuals and families whilst also contributing to the sustainability of local communities.
- The quality of housing stock, combined with higher bills, leaves many older people in rural areas at risk of fuel poverty. Providing activities in community buildings is a great way to address social isolation, but it has the added advantage of ensuring that home heating bills are kept manageable for those of limited means.

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- ⁱ **NOMIS** https://www.nomisweb.co.uk/census/2011/data_finder
- ⁱⁱ **Grant Thornton Place Analytics (subscription service)** <http://gt-placeanalytics.com>
- ⁱⁱⁱ **Dept for Communities and Local Government (2016)** *Local housing statistics, year ending March 2015*, downloaded from: <https://www.gov.uk/government/collections/local-authority-housing-data#2014-to-2015>
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- ^{iv} **Dept for Communities and Local Government (2017)** *Live tables on rents, lettings and tenancies*, downloaded from: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies> 1/6/17 10:00
- ^v **Valuation Office Agency (2015)** *Private rental market statistics - May 2015*, downloaded from: <https://www.gov.uk/government/statistics/private-rental-market-statistics-may-2015>
- ^{vi} See for example, <http://www.itv.com/news/tyne-tees/2017-02-09/north-east-councils-failing-to-protect-private-rental-tenants-over-poor-living-conditions/> and <https://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50iii106.htm>
- ^{vii} Dept for Communities and Local Government (2016) *Local authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts (financial year)*, downloaded from: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness#homelessness-summary-local-authority-level-tables> 11/6/17 12:31
- ^{viii} Centrepoint https://www.yhdatbank.com/data/aggregate_record_list/?location=a3_57&year=2014
- ^{ix} Northern Rock Foundation (2014) *Sex Markets in Teesside*.
- ^x Butler, P (2017) *Number of rough sleepers in England rises for sixth successive year*, Guardian, accessed at: <https://www.theguardian.com/society/2017/jan/25/number-of-rough-sleepers-in-england-rises-for-sixth-successive-year> 31/5/17 22:30