
Director General for Regulation

Owen O'Neill
(by email)

21 June 2018

Dear Mr O'Neill,

Thank you for your correspondence from 9 May. My team have looked in to the issues you have highlighted and a summary of our findings is included as an Annex to this letter.

We agree that it is important to present statutory homelessness statistics accurately and in their full and proper context. This was a key finding in our 2015 assessment¹ of the homelessness and rough sleeping in England statistics² produced by the Ministry of Housing, Communities and Local Government (MHCLG).

Our findings

I am content that that the official documents you refer to have not used MHCLG's published statistics to mislead debate, particularly as they provide direct links to the statistics which include a discussion of the broader homelessness context.

Since our assessment, MHCLG statisticians have taken steps to improve the presentation of the statutory homelessness statistics by setting them more clearly in the broader homelessness context. Table 774³ that you refer to is taken from MHCLG's statutory homelessness series. The broader homelessness picture is available in the supporting commentary within the statistical bulletin, which is linked from the table's contents page.

You highlight your concern about the main reason a local authority records for accepting a household as statutorily homeless. In particular, you question the presentation, quality and use of the statistics in table 774's 'End of Assured Shorthold Tenancy' (AST) category, which is presented as the most common main reason for statutory homeless acceptances in recent years. We consider that the 'End of AST' category is suitably robust due to the validation processes MHCLG statisticians carry out with local authorities.

It is also clear that the next two largest categories under the heading 'Relatives/friends no longer able or willing to provide accommodation' are conceptually distinct from the 'End of AST' series, and that the large 'Other' category is comprised of a range of smaller distinct groups. We do, however, have some concerns about the broader quality of this main reason series. The other main reasons may not be as easy to evidence as 'End of AST' and there is an apparent lack of guidance for local authorities to ensure consistent decision making in recording a 'main' reason where more than one is provided. We will approach MHCLG statisticians about reviewing the supporting commentary and presentation of the published statistics to ensure that any limitations are set out clearly. I also expect MHCLG to work with local authorities to ensure a more consistent approach to recording a main reason, where more than one reason is reported.

¹<https://www.statisticsauthority.gov.uk/publication/statistics-on-homelessness-and-rough-sleeping-in-england-department-for-communities-and-local-government/>

²<https://www.gov.uk/government/collections/homelessness-statistics>

³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/692691/Acceptances_and_De_cisions.xlsx

Developments

In recent months, MHCLG statisticians have been strengthening their links with local authorities which have been required, since April, to collect new case-level homelessness data⁴ under the 2017 Homelessness Reduction Act (The Act)⁵. The statisticians should therefore be well placed to take these improvements forward, and I am hopeful that these developments, taken together, will feed through to more appropriate use by commentators.

The Act broadens the scope of statutory homelessness by placing new duties on local authorities to help prevent or relieve homelessness. The new data now being collected by local authorities under The Act contains information about people who are both homeless or at risk of homelessness, rather than only those considered in priority need. MHCLG statisticians have confirmed that as well as recording the main reason for loss of last settled home for this broader group, they are also collecting new information about reasons for (private and social) tenancy termination.

The availability of this additional information will provide greater clarity about the previous housing circumstances of a broader range of homeless people than has been available before. As part of our emphasis on the need for homelessness statistics to reflect the broader context, MHCLG should work with Ministry of Justice (MoJ) statisticians to further explore your question about the relationship between court possession orders for different housing tenures and broader homelessness.

I am copying this letter to Sandra Tudor, Head of Profession for Statistics at MHCLG and Steve Ellerd-Elliot, Head of Profession for Statistics at MoJ.

Your sincerely



Ed Humpherson

Director General for Regulation

⁴https://gss.civilservice.gov.uk/wp-content/uploads/2018/06/HCLIC-Data-Specification_v1.4.2.pdf

⁵<http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted>

Annex: Analysis of issues regarding main reason for loss of last settled home

Official and non-official sources failing to use the ‘statutory’ homelessness definition or note the broader homelessness context

Your argument for the clear use of the statutory definition⁶ when the statutory homelessness figures are used and the need to place the statutory homelessness statistics in their broader context is in line with the findings from our 2015 assessment of the homelessness statistics⁷ produced by the Ministry of Housing, Communities and Local Government’s (MHCLG).

The two official examples you cite do not appear to have been used to mislead debate and they do provide direct links to the published MHCLG National Statistics which include a discussion of the broader homelessness context.

In relation to the NAO Homelessness report you cite, the full report contains some broader context along the lines you suggest. Paragraph 1.16 of the NAO report⁸ also provides some support for the increase in the ‘End of Assured Shorthold Tenancy’ (AST) trend. The NAO authors sampled 8 local authorities and interviewed front-line officials who verified the main cause from their experience being the end of an Assured Shorthold Tenancy:

“In all cases front-line staff said that the key reason why people were presenting as homeless was the end of tenancies in the private rented sector. They said that this was due to increases in rents in the private sector, and a decline in people’s ability to pay these rents. This decline in ability to pay was said to be partly due to welfare reforms”

The example highlights that there are often multiple reasons within or behind the ‘End of AST’ category itself.

In relation to the cited use of the official series by the charitable sector, we would definitely support the argument for the clear use of the statutory definition each time statutory homelessness statistics are presented, though it’s probably not reasonable to expect an explanation of where statutory homelessness fits into the overall homelessness picture every time figures for it are referenced.

MHCLG’s published Table 774 as a source of misreporting

You refer to MHCLG’s published table 774⁹ as a possible source of misreporting. The front page of the workbook provides a link to the MHCLG’s Statutory homelessness and homelessness prevention and relief statistics. The footnotes for table 774 do state that the figures are based on:

“Households found to be eligible for assistance, unintentionally homeless and falling within a priority need group, and consequently owed a main homelessness duty by a local authority.”

The MHCLG homelessness statistical bulletin¹⁰ available from the link explains the statutory duties of Local Authorities (LA) and the criteria for eligibility/groups in priority need. The bulletin places the statutory homelessness figures in their broader context (pages 2-4) and provides a narrative for table 774 (page 8).

Quality of the data in table 774 in terms of whether:

- a. secure tenancies (granted by Residential Social Landlords) are being misreported as ‘End of AST’s’**

⁶<https://www.gov.uk/guidance/homelessness-data-notes-and-definitions>

⁷<https://www.gov.uk/government/collections/homelessness-statistics>

⁸<https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf#page=20>

⁹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/692691/Acceptances_and_De_cisions.xlsx

¹⁰<https://www.gov.uk/government/statistics/statutory-homelessness-and-homelessness-prevention-and-relief-england-october-to-december-2017>

b. the 'rent arrears' figure is accurate/if 'End of AST' also incorporates a significant number where rent arrears are the root cause

In relation to the concerns raised about the quality of the data presented in table 774 (Main reason for the loss of last settled home), MHCLG statisticians have provided us with information about the following standard quality checks that are carried out:

- Checks undertaken by local authorities: These can take the form of audits (by either internal or external auditors), periodic quality checks on data extracts, or random quality checks. For the period 1 October to 31 December 2017, 94% of responding authorities reported some form of checking on the return. For sections 1 to 10 of the return, 47% of sections had periodic checks performed, 47% had random checks performed and 1% had undergone an LA audit.
- Pursuing late returns to ensure overall response is as complete and accurate as possible. For example, the December 2017 quarter's figures were based on full or partial returns for 322 out of 326 local authorities (98.8% response rate). Overall around 99.5% of cells were filled in for sections 1-6 and 10, around 94.4% for section 7, and around 97.5% for section 9.
- Validation checks on the Interform data collection system. There are a number of mandatory and non-mandatory validation checks within the online form which include comparing row and column totals, comparing values from different sections etc., to identify inconsistencies in the reported data. If such inconsistencies occur, a local authority is presented with an error message and asked to correct the values.
- Investigating anomalous data, which includes omissions and any categories that change by our defined % change and value exceedance triggers. These are highlighted and verified by contacting the local authority. Any large changes have to be justified with further explanation or amended and resubmitted where it has been agreed there was an error in the data supplied. We then work with the local authority to resolve this where this was due to incorrect or inconsistent application of our guidance. We update our guidance notes where we identify that these could be improved.
- Estimating for missing data. Local authorities are split into groups based on the former government region they are in and by type of authority. Estimates are then calculated by an automated grossing procedure which either (i) updates previously reported data based on the changes observed in other authorities in the same group or (ii) apportions totals based on ratios reported by these similar authorities.

Regarding the robustness of the 'main reason for loss of last home' series, MHCLG statisticians have confirmed that as the 'End of AST' trend has increased in recent years they have carried out additional verification on local authority (LA) submissions as the increases have been flagged by their automated checking systems. This increase in 'End of AST' reporting has been particularly evident in London and the team go back to LAs to confirm the figures reported by them are correct.

The main method of verification for 'End of AST' within a local authority is the production of a Section 21 eviction notice by the applicant. As Section 21 notices are a main source of evidence that an applicant can present to be accepted as unintentionally homeless, where a section 21 notice is available, End of AST is likely to be recorded over other reasons which aren't as easy to evidence where multiple reasons may be applicable.

This supports the argument that the outcome of 'End of AST' may be more likely to be reported by a person seeking to be acknowledged as homeless than other categories, such as in 'rent arrears' in cases where both reasons are relevant. However, the additional quality assurance of the 'End of AST' category makes it unlikely that 'End of AST' is being over reported or that other categories like Residential Social Landlord tenancies are being misreported as 'End of AST'.

There is evidently a large amount of discretion on the part of the local authorities for recording what the 'main' reason is where more than one reason applies, and there does not appear to be any hierarchy or guidance to support local authorities to do so consistently. This calls into question the quality of some of the other main reasons reported where more than one reason applies.

At present no information is available about the cause or reason for the end of an AST. However, from April 2018 local authorities have been collecting case level data in the new H-CLIC format for MHCLG to monitor their activities under the 2017 Homelessness Reduction Act (HRA). The 2017 HRA places new duties on local authorities to help prevent or relieve homelessness for anyone

eligible for public funds. This means H-CLIC will contain information on more people who are homeless or at risk of homelessness, not only those considered to be in a priority need group.

Future H-CLIC based homelessness statistics will make it possible to provide further breakdowns of the main reasons of last settled home, for example: End of private renter tenancy – assured shorthold tenancy; End of private rented tenancy – not assured shorthold tenancy; End of social rented tenancy. The new system will also collect the details about the ‘reasons for AST termination’, and ‘reasons for socially rented tenancy termination’. This will represent a substantial move forward in terms of the level of detail that will be available to understand the drivers for those within these main reason categories.

Presentation of the largest main reason categories in table 774: ‘Parents can no longer accommodate’ and ‘Other relatives and friends can no longer accommodate’ and ‘End of Assured Shorthold Tenancy’

The ‘End of AST’ series in the statistics is clearly distinct from the other largest main reason categories: ‘Parents can no longer accommodate’ and ‘Other relatives and friends can no longer accommodate.’ We support the idea that the collected data should be made available for reuse in the greatest level of detail, where it is appropriate to do so. As already discussed, in future it should be possible to provide a further subset of reasons within the ‘End of AST’ category and we would expect statistics at this level to be made available to all.

While the next largest categories ‘Parents can no longer accommodate’ and ‘Other relatives and friends can no longer accommodate’ are collected separately and presented as such in the table, there is a degree of subjective choice on the part of the analyst about whether it is appropriate to retain or to combine categories in the reported statistics. Combining ‘Parents can no longer accommodate’ and ‘Other relatives and friends can no longer accommodate’ into one category may therefore be appropriate for some uses, but less helpful or appropriate for others. Combining too many categories together may also serve to reduce the utility or insight provided.

Whether the ‘other’ category has been analysed to determine its quality or whether it should be assigned to an established category

The previous paragraph is also relevant to the question about the breakdown of the ‘Other’ category in table 774, which is comprised of a number of separate groups defined in the notes and definitions documentation¹¹ linked from the statistics bulletin:

- Other reason (e.g. homeless in emergency, sleeping rough or in hostel, returned from abroad)
- Required to leave accommodation provided by Home Office as asylum support
- Other forms of violence
- Violent breakdown of relationship involving associated persons
- Left hospital
- Other forms of harassment
- Left other institution or LA care
- Left prison/on remand
- Left HM-Forces
- Racially motivated violence
- Racially motivated harassment

The totals of these additional categories sum to 18% the total homelessness acceptances in 2017. MHCLG statisticians have decided to omit this from the graph shown on page 8 of the statistical release to ensure usability of the graph. The team believe that presenting ‘Other reasons’ as a separate category would not be informative in this context given its various, different components and this conclusion seems reasonable.

¹¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/696610/P1E_Guidance_note_s.pdf

It might though be helpful for Table 774 to be clearer about the composition of the 'Other' category to avoid the need to cross refer to the notes and definitions document.

Ministry of Justice (MoJ) possession order statistics¹² and their relationship with broader homelessness

Finally, you present MoJ landlord possession order statistics to state that (pro rata for size of housing sector) social landlords may cause more homelessness than evictions by private landlords.

It is clear from the published statistics that social landlords are granted a larger number of possession orders than private landlords. However, while 'End of social rented tenancy' is one of the smaller main reason categories collected by MHCLG for its homelessness statistics, you are correct that this excludes those ineligible for statutory assistance. Only an analysis of the reasons for loss of last settled home for all homeless people (not just those accepted as statutorily homeless) might enable a better understanding of the link between possession orders and broader homelessness numbers.

The new H-CLIC data collection (as discussed above) may offer opportunities for this type of analysis given the wider statutory scope of HRA and the fact that a greater level of detail will be recorded for all those covered by it on a case-level basis going forwards. It would be worth MHCLG statisticians contacting MoJ statisticians to understand how they might work together to provide a more coherent overall picture as the new homelessness statistics are being developed.

¹²<https://www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics>