

Written evidence submitted by Professor Katherine Brickell, King's College London, Dr Mel Nowicki, Oxford Brookes University, and Sam Pratt, Shared Health Organisation [RCW0004]

Introduction

On October 17th 2023, the All-Party Parliamentary Group for Households in Temporary Accommodation hosted the launch of the research report 'The Debt Trap: Women's Stories of Navigating Family Homelessness and Temporary Accommodation in Greater Manchester' (Brickell and Nowicki 2023).

<https://sharedhealthfoundation.org.uk/publications/the-debt-trap-report/>

This submission focuses on the impact of the rising cost of living on households comprising single women with dependent children who have experienced rent-arrears and other forms of debt, homelessness, and living in temporary accommodation (hotels, B&Bs, private hostels etc).

The focus of the project was understanding the lived experience of debt and homelessness. In-depth longitudinal research was conducted with 13 women via repeated interviews, up to 3 times with each woman between May 2022 and October 2023. Additional interview research was undertaken with frontline workers, local authorities, and charities who specialise in debt support. All names are pseudonyms.

The original research shows that debt is a major contributing factor in why families (women and children) become homeless, how it worsens during their journey, and continues to impact on the families once their homelessness eventually ends. In England, almost 100,000 households, including over 125,000 children, reside in temporary accommodation (Shelter 2023). Described as the 'hidden homeless' in England's housing crisis (Maciver 2018), it is mainly single women raising children who live in these typically insecure, confined, and substandard forms of accommodation.

At the same time, the covid-19 pandemic has exacerbated a rent-arrears crisis, particularly in towns and cities of Northern England, as households face threats to their incomes and private debt-taking (e.g. personal loans and credit cards) has exploded (Centre for Cities 2021). Combined with the ensuing cost-of-living crisis, charities describe the 'relentless pressure' to meet monthly food and energy payments (Inman 2022) and debt having become 'unavoidable' for millions (Citizens Advice 2021; Clark 2023).

In this context, this submission of evidence from 'The Debt Trap' research supports the Inquiry to better understand two questions:

- a) How are rising food, energy, housing, and other costs affecting indebted homeless women with children?
- b) What could central and local government do to help women cope with increases to the cost of living and manage household debt?

Contributors

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Evidence submission

a) How are rising food, energy, housing, and other costs affecting indebted homeless women (with children)?

1. Debt was shown to be intimately tied to women's experiences of housing precarity in the background of austerity-driven welfare roll-back, the rising costs of private renting, the energy poverty crisis, and persistent gender inequalities in the labour market.
2. Rent arrears were the leading cause of family homelessness in the research. This is the widespread case. Renters in the private sector spend a greater proportion of their incomes on rent than any other housing tenure (StepChange 2023). The increasing role of high-cost, low-security private rented housing has fed directly into rising rates of family homelessness: between 2013 and 2018 the number of working families evicted from private rented housing due to rent arrears or rent increases rose by 73% (Spratt 2022). The reduced role of the state in housing provision therefore laid the groundwork for significant rises in family homelessness over the past four decades. Since March 2020, housing benefit has also been frozen and does not reflect the soaring costs of renting: in England just 4% of 1–3-bedroom properties listed in the last year on Zoopla were affordable to people who require Local Housing Allowance (LHA) to help pay their rent (Crisis 2023).
3. Women and children's entry into homelessness was also the result in the research of domestic violence, during which women were economically controlled, forced to rely on credit for everyday expenses, and in some cases being enrolled into coerced debt. In a survey of women victims of intimate partner abuse, 61% said they were in debt because of financial abuse (Women's Budget Group 2019).

"I think one of the reasons why I always put up with the domestic abuse was, I used to think, 'How am I going to do it [financially] with the four kids?' But then, I did get into the position where I thought, enough is enough. I could have been almost dead, I need to get out of here."
– Irhaa, a 'Debt Trap' research participant

4. Stays in temporary accommodation need to be as short, safe, and healthy as possible given the damage to health they can do (Nowicki et al 2019; Rosenthal et al 2020), yet the research shows that a key barrier to this are the rent-arrears which preclude families' transition to a permanent Council or social housing tenancy. Dependent on local authority, applicants who are in arrears can become ineligible to bid for homes, or are deprioritised in the allocation system. Women in the research have remained -or still remain -in limbo in temporary accommodation until they can reduce or clear their arrears, or in some cases, prove their intent to pay – although the definition of this is not always made clear. Rent arrears are an especially insidious form of debt given the serious problems that can arise when action is not taken to remedy them.
5. Even when permanent housing is provided, the challenge of debt remains for women in the study. Debt was a necessity just to 'get by' in daily life given the rising costs of food and other basics, the habitual non-payment of child maintenance by ex-partners, the need to service existing loans, and insufficient Universal Credit. According to the Joseph Rowntree Foundation (2023), 90% of low-income households receiving Universal Credit are currently reporting going without essentials. This is a void which credit is filling. While private debts were generally small and negligible in pure financial terms in the 'Debt Trap' research, they have a huge and disproportionate negative impact on women's lives and futures.
6. The prospect of debt repayment is curtailed by multiple gendered inequalities which women in this study were affected by. First, single mothers experience comparatively high risks of

poverty and lower rates of employment in comparison compared to both men and coupled mothers (Rafferty 2014). Tied to this issue is the lack of affordable and flexible childcare. Nationally, women are being priced out of work because of a gender pay gap and lack of affordable childcare (PWC 2023). The average annual cost of a full-time nursery place for a child under two in Great Britain is now £14,836 (Coram 2023).

b) What could central and local government do to help women cope with increases to the cost of living and manage debt?

1. **The debt trap which homeless families in the research are encountering is structural and is not one of their own making.** It needs to be tackled as a systemic rather than individualised problem linked to gendered and racial inequalities and the outcome of central and local government decisions and inactions across the policy domains of housing, domestic violence, welfare, transport, employment, education, and childcare.
2. **Scrap rules on outstanding housing-related debt and property ineligibility.** Access to the bidding process (and banding priority) should not be determined by local authority requirements for homeless families to be free of housing-related debt, under a certain threshold, and/or consistently demonstrating their intent to pay. Too many families are trapped living in poor quality temporary accommodation because of these rules and the underlying structural factors which contribute to their indebtedness (made worse by rising costs of living). Stays in temporary accommodation cannot be as short, safe, and healthy as possible while property ineligibility is linked to outstanding arrears.
3. **Increase Universal Credit cap and LHA rate.** Return the £20 Universal Credit uplift, as a minimum, and uplift the Local Housing Allowance (LHA) to meet the escalating (and unsustainable) costs of a tenancy in the private rented sector. Neither UC nor the LHA adequately cover the costs of living and housing, therefore contributing to families' struggles to meet the shortfalls.
4. **Decouple Universal Credit from debt repayment.** End the reduction of Universal Credit payments based on debt repayment deductions. This decoupling of UC and debt repayment should provide families with more ability to tackle their debts in a way that better takes into account their personal circumstances and day-to-day needs.
5. **Build social housing.** To reduce the numbers of families in temporary accommodation and the associated debt burden faced by women, the long-standing need to build a new generation of social housing must be prioritised.
6. **Tackle the private rented sector.** The indisputable crisis of unaffordability and insecurity in the private rented sector must be addressed as a matter of national policy priority.
7. **Financially support domestic violence survivors.** Provide more emergency support funding to domestic violence survivors to escape abuse. The lack of financial support can prevent women from leaving violent situations. Increasing financial pressures associated with the cost-of-living crisis heightens the urgency to support domestic violence survivors in the short and longer term.
8. **Provide affordable and flexible childcare.** Fundamental shifts need to be made on affordable and flexible childcare during and after school hours, as this remains a major barrier to women's access to the labour market and their ability to cope with the rising costs of living.

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