**What have the effects of austerity been on poverty (and inequality) levels in the United Kingdom in the last decade? A brief snapshot on Housing and homelessness.**

Bruno De Oliveira, UK

University of Brighton

Sanctions have been put in place to penalise people who are unable, not unwilling, to meet these requirements (Work and Pensions Committee, 2015). The consequences of these sanctions could have a detrimental impact on the material well-being of disadvantaged claimants, with the relationship between sanctioning and conditionality causing destitution (Dwyer and Bright, 2016). Dwyer & Bright (2016) reported that many Universal Credit recipients noted a ‘tick box’ path to support. Some participants reported their experience as intimidating, dehumanising and disempowering. Moreover, some had many arrears (utilities, rent) and had experienced eviction threats, while other social tenants with fixed-term, conditional forms of tenancy who were unaware of the possible delays to access Universal Credit reported that these had caused them much anxiety (Dwyer & Bright, 2016). Furthermore, the proposed system to simplify the welfare system with Universal Credit was supposed to come into force in 2011, but, as of 2017, it was still to be implemented in most parts of the UK (Work and Pensions Committee, 2015).

Since 2010, the central government has reduced its funding for local governments in England as part of its plan to reduce the deficit. The Local Government Report noted 40% cuts, which is the largest local authority real-terms budgeted funding reduction from 2010 /11 to 2015/16. (NAO, 2014; LGIU, 2017). Despite this reduction, local authorities have to deliver a range of services. Government funding for local authorities has fallen by 28% in real terms over the 2010 spending review period. This reduction reached 40% in 2015-16. In 2010-11, it forecasted for 8.4% of the economy, falling to 6.7% in 2015-16 (NAO, 2014). By 2020-21, it is estimated that it will be down to 5.7%, a 60-year low (Seldon and Finn, 2015). Local authorities have a statutory duty to deliver specific services ranging from adult social care to housing. This increases costs in the long term or pushes costs on to other service providers directly. The impact on services caused by funding also impacts the service users. For instance, council’s workforce across the UK decreased by over 550,000 between 2010 and 2014 leaving a gap in the provision of services (Seldon and Finn, 2015).

As a report by Local Government Information Unit (LGIU) noted, approximately 40% of all councils anticipated making further cuts in frontline services and 22% of the council leaders surveyed considered housing and homelessness to be the most pressing short-term issue (LGIU, 2017). For example, local authorities have to manage a £5.8bn funding deficit from 2017 to 2020 (LGA, 2017). Furthermore, a study released by the British Medical Journal reported that since 2010, England has experienced constraints in public expenditure on healthcare (PEH) and social care (PES) (Watkins, Wulaningsih, Da Zhou et al., 2017). This study indicates that the constraints on PEH and PES have impacted mortality rates. The cuts in public expenditure between 2010 and 2014 were linked to an estimated 45 368 (95% CI 34 530 to 56 206) higher than predicted number of deaths in relation to pre-2010 trends. Deaths in those aged 60 and over in care homes accounted for the majority. Moreover, the study noted that changes in real PES per capita could be linked to mortality, mostly via changes in nurse numbers (Watkins, Wulaningsih, Da Zhou et al., 2017). Projections to 2020 based on the 2009-2014 trend were cumulatively linked to an estimated 152 141 (95% CI 134 597 and 169 685) additional deaths. Spending constraints, especially PES, are associated with a substantial mortality gap (Watkins, Wulaningsih, Da Zhou, et al., 2017). Meanwhile, between 2011 and 2016, the number of people sleeping rough in the UK had increased by 49% (Crisis, 2017: 3).

A report by the Local Government Association reported that Brighton and Hove are under great financial pressure and that by 2020, 168 councils in England will have lost 75 pence out of every £1 of central government funding that they had to spend in 2015 (LGA, 2017). There are some indications that councils feel that local government finance is not adequate or working (LGIU, 2017). For example, about 80% of councils have little or no confidence in the sustainability of local government finance, over 90% of councils understand that council tax rises are not a viable mechanism to narrow the welfare funding gap, and over 80% of councils believe that the current needs assessment formula is not fit for purpose (LGIU, 2017). Hills (2015) states that misconceptions about what welfare is, i.e. ‘welfare myths’ move and ground public support for the current round of welfare cuts. For example, the welfare myth of ‘them and us’ has allowed the welfare state to be re-designed as an expensive system of provision for ‘benefit dependent’ freeloaders, such as people in poverty, disabled people, those living in social housing, homeless people and/or those receiving unemployment benefit.

The Coalition’s reforms which might have impacted people experiencing homelessness are threefold. Firstly, the ‘spare room subsidy’ or the ‘bedroom tax’ was a key Con-Dem Coalition policy which legislated that working-age social tenants receiving Housing Support had their welfare support reduced if one lived in housing deemed too large for their needs (Seldon and Finn, 2015). There is some evidence on the impacts of the bedroom tax to people that experienced homelessness (Hood, and Waters, 2016; Roberts and Soederberg, 2014). Secondly, the Con-Dem Coalition implemented a cap on the amount household social welfare security at £500 per week for a family and £350 for a single person without a child. The DWP estimated that in 2014 36.600 people had their welfare security capped. This policy led some people to move locations at times leaving their community due to affordability which has a detrimental impact on the livelihood of these people (Seldon and Finn, 2015). Finally, The Coalition’s repeal of the council tax benefit support added to the hardship. The council tax benefit was a grant given to councils to pay for council tax benefit. From April 2013 local authorities in England were subject for managing their council tax schemes as a consequence 244 out of 326 English authorities enforced everyone to pay some council tax regardless of income (Seldon and Finn, 2015).

As noted by Seldon and Finn (2015), the impact of these policies and Universal Credit is yet to be adequately measured and understood. However, at the end of 2016, a Shelter report noted those more than a quarter of a million people were homeless in England (Shelter, 2016). The number of homeless people on the streets has more than doubled in five years, and there is a strong case that there is a link between the increase in the number of homeless people and the punitive austerity measures (Barr, Kinderman & Whitehead, 2015; Garthwaite, 2013; Spicker, 2011). In addition, there have been reports in the media about the link between welfare cuts implemented under the austerity reality and surge in number of homeless people. That is, charities have noted that some deaths of rough sleepers can be seen to be a consequence of the cuts in homelessness services (Gentleman, 2016). Research on the Grenfell Tower fire, which resulted in the death of 71 residents, has also linked the austerity cuts to local authority budgets of 40% to the quality of the materials used in the refurbishment of Grenfell (Walker, 2016). The current openness of institutional acts led by austerity led cuts on the material used on the refurbishment of social housing (Blundell, Dias, Meghir, & Van Reenen, 2004; Walker, 2016; Hills, 2007; Powell, 2002).

Austerity-led policies permit systematic bias to be enacted as, on the one hand, they protect the interests of institutions such as banks, and while on the other hand, they dismantle the safety net of those relying on welfare for their livelihood. What austerity does is to accentuate the institutional bias towards the most vulnerable. According to Hall et al. (1978: 16-17) ‘Societies appear to be subject, now and then, to periods of moral panic. A condition, episode, person or group of persons emerges to become defined as a threat to societal values and interests'. However, since 2009, austerity has appeared, in societal debate and political rhetoric in the UK, to shift the moral panic of the financial crisis from the banking sector to the most vulnerable.

The austerity-led policies are but practices for managing the interests of institutions. For example, the Former Chancellor Osbourne stated that the different social sections of the UK society were all in it together under austerity. However, The Former Prime Minister Cameron did not intervene with the bonus system of taxpayer-owned banks and middle to higher income households did not had austerity driven at them by the coalition. Austerity was driven towards the most vulnerable part of society (Browne and Elming, 2015). The situation of the vulnerable in the UK is one of being taken advantage of and being sub-citizens. Dunn (2014) argued that austerity makes sense as a class strategy. The UK's government is not a neutral mediator and the austerity-led policies are evidence of this bias (Browne and Elming, 2015; Bunyan, and Diamond, 2016; De Agnostini, Hills, Sutherland, 2014; Dunn, 2014; Hood, and Waters, 2016; IMF, 2012; Roberts and Soederberg, 2014). The austerity-led policies have produced deep social divisions.

The Welfare Reform Act (2012) legislated for a substantial extension and intensification of welfare conditionality, including an eventual sanction of three years without benefits (Patrick, 2014). The Welfare Reform Act cut the relevance of some benefits, reducing the amount of rent that is covered for housing benefit tenants (Barr, Kinderman & Whitehead, 2015; Spicker, 2011). Stakeholders and professionals require a profound understanding and connection to the ‘support experience’ of services users in order to achieve the best outcomes for those using their services (Wuytack and Miller 2011). In the UK, council austerity-led cuts could lead to more people being at risk of homelessness and sleeping rough. Local Councils are reported to have to cut homelessness services, and this could add to the number of people sleeping rough, as well as adding more pressure to the hard-pressed NHS and social care services (Barr, Kinderman & Whitehead, 2015; De Agnostini, Hills, Sutherland, 2014; Moffatt, Lawson, Patterson, Holding, Dennison, Sowden, and Brown, 2015; nao, 2014; LGIU, 2017; Roberts and Soederberg, 2014; Spicker, 2011). In addition, due to the lack of new housing built between 2010 and 2015 to supply the growing population of 450,000, house prices and rental accommodation prices have increased, which has impacted the number of people experiencing homelessness (Seldon and Finn, 2015) There is evidence to suggest that the current set of austerity measures has had a significant impact on the number of people experiencing homelessness, and on services aimed at supporting and preventing people from ending up homeless (Barr, Kinderman & Whitehead, 2015; De Agnostini, Hills, Sutherland, 2014; Moffatt, Lawson, Patterson, Holding, Dennison, Sowden, and Brown, 2015; nao, 2014; LGIU, 2017; Roberts and Soederberg, 2014).

Meanwhile, the Coalition Government’s economic policies and austerity measures have been termed ‘radical fiscal retrenchment’, whereby housing and welfare spending fell to its lowest level in over 60 years (Nevin and Leather, 2012). This has had a significant impact on vulnerable people who depend on welfare, such as low-income families and young people under the age of 25 years old (Nevin and Leather, 2012, p. 14). The number of rough sleepers has increased by 27% in London and 31% in the rest of England since the autumn of 2014 (The Rough Sleeping Statistics England, 2015). The number of households placed in temporary accommodation by local authorities in England in September 2014 was the highest it had been in the previous five years (Wilson, 2015). According to the Department of Communities and Local Government’s Rough Sleeping Statistics England - Autumn (2017), in Autumn 2017, there were an estimated 4,751 rough sleepers in England. This number was up 617 (15%) from Autumn 2016. London had 1,137 rough sleepers in Autumn 2017, an 18% increase on the previous year. It is estimated that 60,940 households have been placed in temporary accommodation by local authorities in England. The number of families with dependent children placed in bed and breakfast style accommodation increased from 630 at the end of March 2010 to 2,080 at the end of September 2014 (Wilson, 2015).

Brighton & Hove City Council have reported that they are concerned that the number of homeless people in the area could increase further over the next few years, due to the impact of welfare reforms and the high cost of entering and sustaining accommodation in the city’s private rental sector (brighton-hove.gov.uk, 2017: 12). The city council sees approximately 4,500 people a year and gives advice and assistance to support them to resolve housing problems that may lead to homelessness. Almost 1,000 people receive a case prevention/casework service, and a further 1,000 people make a homeless application each year (The Brighton and Hove City Council: Homelessness Strategy 2014-2019, 2014). According to the report, there are about, 23,000 households on the housing register waiting for housing, with 1,500 in temporary accommodation. People sleeping rough are a transient population, and the city’s street services work with more than 1,000 cases each year, 20 every week. In November 2017, a snapshot of a single night estimated that there were 178 people sleeping rough in Brighton & Hove (Brighton and Hove Sleeping Rough Strategy, 2016; The Rough Sleeping Statistics England - Autumn, 2017: 4). The projection for the increase in homeless people in the UK is 575,000 by 2041, up from 236,000 in 2016 (Crisis, 2017). The number of people sleeping rough is predicted to go up fourfold from 9,100 in 2016 to 40,100 by 2041 (Crisis, 2017).

The bank bailout was justified, whereby the Treasury made a set of large financial interventions with public money to rescue the UK's banking system as the open age of austerity to welfare was triggered. Hence, the crisis is an episode where the market does not balance itself out, which results in arbitrary resource redistribution where government intervention is needed. Punitive austerity measures have been there for a long time, but have moved from an indirect form of austerity to a direct form of transferring public resources to institutions. The politics of austerity pre-2007 formed a mob of obedient savers, committed to a shared agenda of cuts and rationing, less spending and workfare conditionality. Austerity is a process that did not go away when rationing ended in the UK. In fact, it has been remoulded by different acts and agents, such as at times of war and financial crisis. It is fluid in its form, but its impact remains harsh. Austerity is an institutional practice. It is a mechanism used to implement a detrimental set of political policies and an economic agenda that impacts vunerable groups like people who are homeless. It is now necessary to explain the course of my methodological position.