

# Will Cathy ever come home?

50 years of tackling homelessness



Because good homes  
make everything possible

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# Introduction

**W**hen Cathy Come Home was first broadcast in 1966 it caused a public outcry and forced the nation to face up to shocking levels of homelessness and substandard housing conditions.

Yet 50 years on, in the grips of a new housing crisis, homelessness is on the up. Not enough homes are being built and more and more people are being pushed into insecure forms of tenure because wages are not keeping up with soaring house prices.

Moreover, the future looks no better. Housing demand is projected to continue outstripping housing supply.

Fifty years on Cathy Come Home continues to demonstrate the deep and damaging human impacts of what has become a national housing crisis. If we are to defeat homelessness, the government needs to get behind a bigger house building programme, including investing in more affordable and social rented homes. Until that happens, Cathy's heart-breaking legacy will remain as alive and relevant as ever.

# Homelessness, housing supply and affordability 1966-2016

**T**he experience of Cathy's family feels all too familiar for many in today's society: **unemployed or in low paid insecure work; forced to forego income to care for children; evicted from private accommodation; and frustrated by housing waiting lists and temporary accommodation. Equally familiar is the insistence of observers of Cathy's plight that she should take personal responsibility for a situation ultimately caused by a lack of affordable housing.**

In 1965, over 27,000 homeless people were reported as living in hostels, shelters and lodging houses<sup>i</sup>. The growth in homeless households, and the impact of Cathy Come Home in bringing attention to the issue, led to charities such as Shelter and Crisis either being founded or receiving funds to help tackle the problem. Many of today's largest housing associations were also formed, as prominent local

people and organisations sought to alleviate homelessness in their communities.

Despite the increased attention, ten years later homelessness had worsened, the Evening Standard commenting:

"Shelter has failed. It set out 10 years ago in the wake of the horror of Cathy Come Home to fight the blight of homelessness in Britain. In that time, on the roughest available statistics, homelessness has not declined, it has doubled."<sup>ii</sup>

In 1977 the government took further action. The Housing (Homeless Persons) Act enshrined in law a duty on local authorities to house homeless people determined as in 'priority need'. In England in 1979, 55,530 households were accepted as requiring assistance.

While the numbers of people homeless have fluctuated over time, the situation today looks strikingly similar, with 56,500 acceptances<sup>iii</sup> of priority need in 2015. Moreover, the numbers are

moving in the wrong direction; the number of acceptances in 2015 was 35% greater than in 2009 and the number of households in temporary accommodation has grown consistently alongside it, with 73,120 households<sup>iv</sup> currently waiting for secure accommodation.

The context may have changed over the last 50 years, but the core issue at the heart of

homelessness remains the same: a shortage of affordable homes.

In 1964 the London County Council commissioned the Greve report into the causes of homelessness in London. Greve concluded that homelessness was a result of rising rents, driven by a shortage of supply, combined with low wages and insecurity of tenure. The same conclusion could be drawn today.

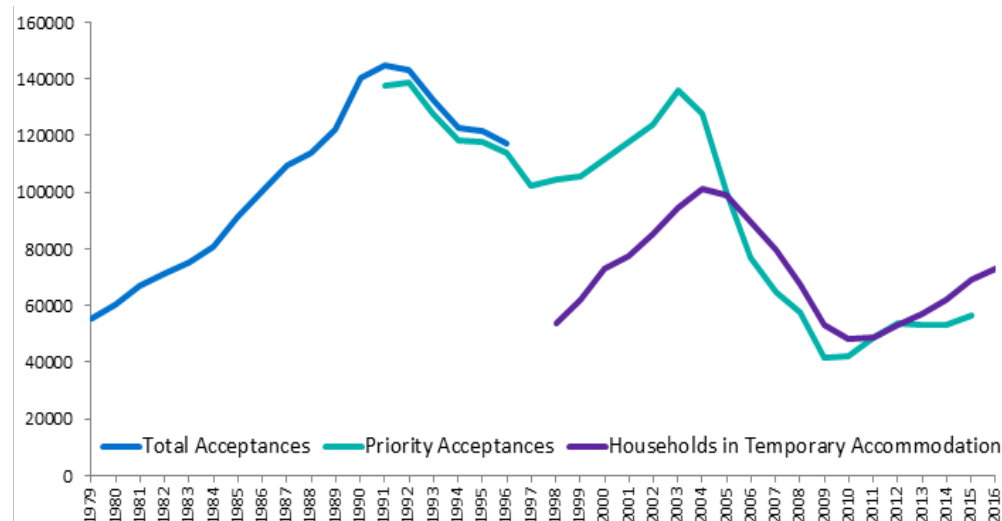
Figure 2 shows how over the long term the number of new homes being built each year has fallen. However, it is only in the last decade that housing supply has consistently fallen significantly below corresponding increases in household formation. The financial crash precipitated a further fall in the number of housing completions and this has only recently started to recover. The

combination of falling supply and a much higher (and increasing) number of new households has resulted in an increasingly serious shortfall in supply.

At the same time wage growth has not kept pace with rising house prices, leading to an affordability crisis in areas of high demand.

## Figure 1: Number of households accepted as statutory homeless and households in temporary accommodation

Source: Statutory Homelessness: England, DCLG Live Tables 770 & 775



## Figure 2: Increase in the number of households in England per year and the number of permanent dwellings completed

Source: DCLG Live Tables 209 & 411 (note: number of completions is by financial year)

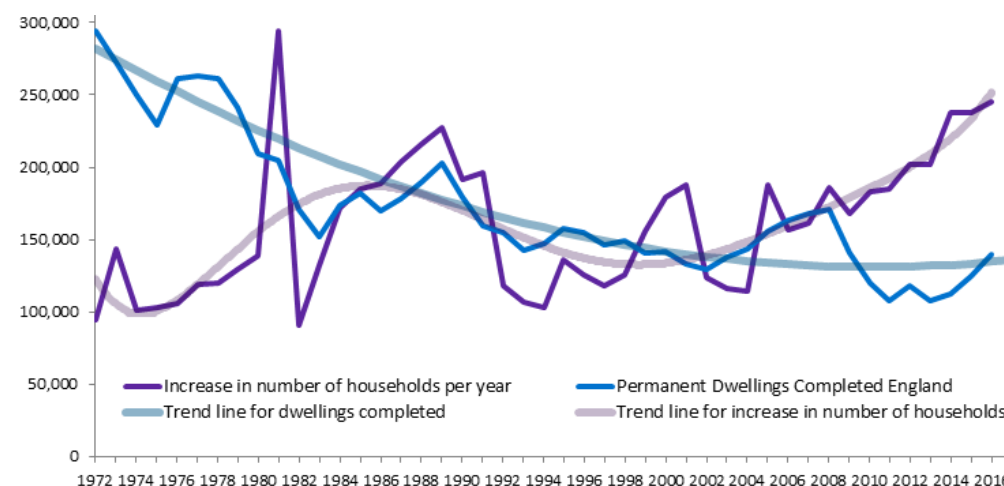


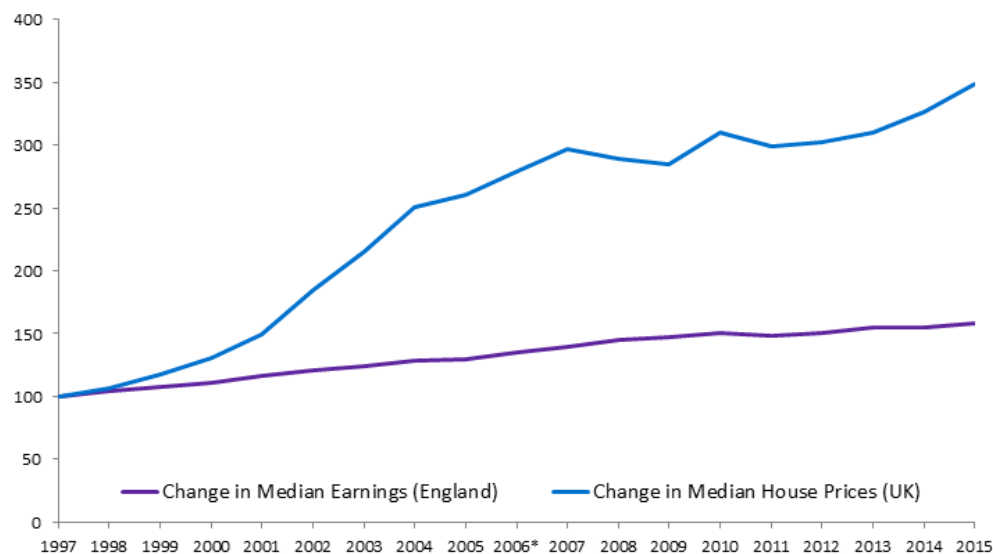
Figure 3 shows that since 1997 average house prices have increased five times faster than average earnings. The proportion of income spent on rent has also more than doubled since the late 1960s<sup>v</sup>.

Developments in the housing market and changes in policy mean the impact of the affordability crisis has not been uniform across different regions. Regional concentration of economic growth has contributed to a situation in which the areas with the greatest shortfall in supply are predominantly London and the South East<sup>vi</sup>, while parts of the North are characterised by increasing numbers of vacant properties.

Moreover, the growth of home ownership and surge in the number of buy to let landlords has transformed the UK's tenure mix, with more households now in the private rented sector<sup>vii</sup> than in social housing. The recent increase in statutory homelessness has been largely attributed to rising numbers of people made homeless by the private rented sector<sup>viii</sup>, demonstrating the impact of insecurity of tenure combined with financial stress.

### Figure 3: Indexed percentage change in median earnings and house prices 1997-2015 (1997=100)

Source: House Price Statistics for Small Areas (HPSSAs) Dataset 11, Table 1a & Annual Survey of Hours and Earnings 1997-2016 Selected Estimates



### Figure 4: Housing tenure mix over time

Sources: 1971-2011 - ONS Home Ownership and Renting  
2015 - English Housing Survey 2015-15



Given these trends, people at the extremes of the income scale often live in close proximity, with one-third of London's rough sleepers in 2014/15 found in the City of Westminster<sup>ix</sup>, an area where average wages are amongst the highest in the country.

The scale of housing demand and the shortfall in what is being currently provided can result in households having to find shorter term solutions. Of the 15,170

households accepted as statutory homeless in Q2 2016, 62% moved into temporary accommodation<sup>x</sup>. The highest need for temporary accommodation is found amongst London boroughs, in many of the same areas deemed the 'least affordable'<sup>xi</sup> to rent privately in the UK and where the shortfall in supply is greatest. Similarly, the number of households using bed and breakfasts as temporary accommodation has risen by 200% since 2009<sup>xii</sup>.

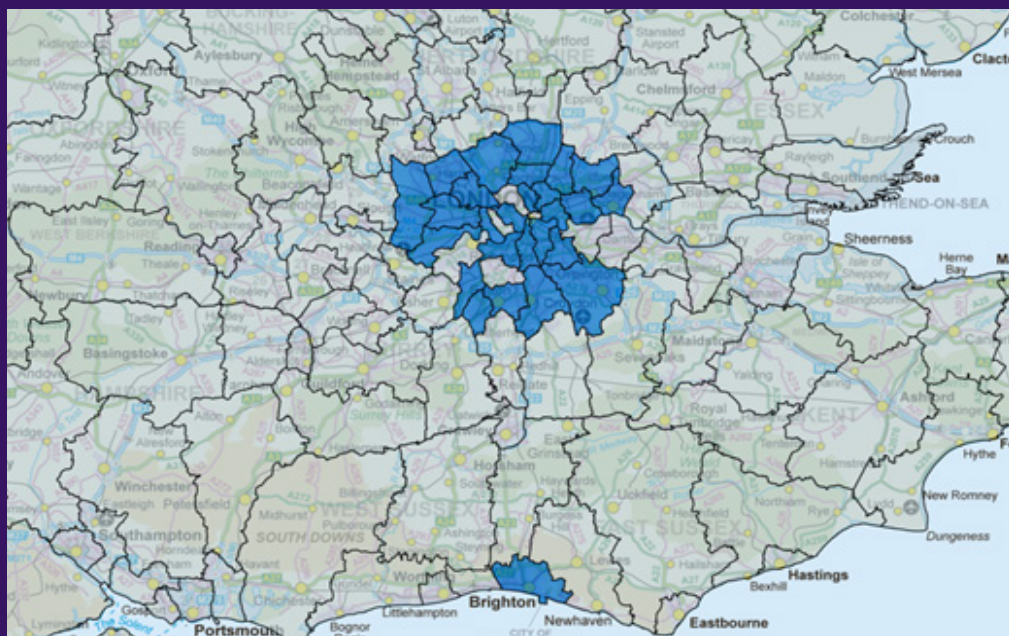
The most visible manifestation of homelessness, rough sleeping, often results from the point at which an affordability crisis intersects with complex needs or a breakdown in existing support; estimates suggest that between 25-30% of rough sleepers<sup>xiii</sup> suffer from a serious mental health issue. A number of 'triggers' have been identified including relationship breakdown, leaving care and serving time in prison. When combined with a lack

of affordable housing options, these triggers can turn a personal crisis into a period of homelessness.

While diverse individual risk factors may be associated with homelessness, macro level trends have contributed to recent increases in homelessness and the use of temporary accommodation. These have included a shortfall of supply, the increased cost of housing and growing insecurity of tenure.

## Figure 5: Areas in the UK in the least affordable 20% for private renting, and with more than 5 households in temporary accommodation per 1,000

Sources: DCLG Households in Temporary Accommodation; ONS Housing Summary Measures 2014, Table 6





# The current affordability crisis

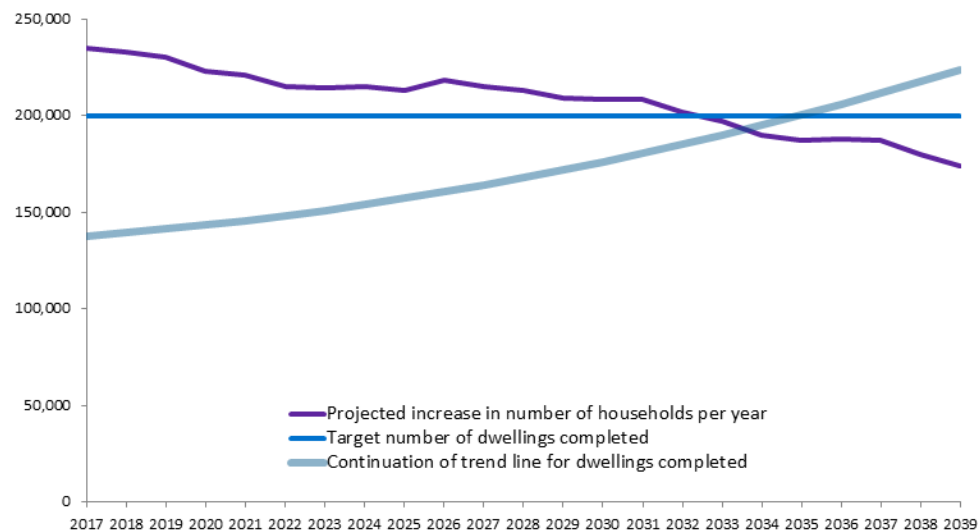
**T**he government recently pledged its support for the Homelessness Reduction Bill, extending the period over which support is provided to households either homeless or threatened with homelessness. Any increase in support for homeless households, and an emphasis on preventative care, is clearly

welcome, but without a corresponding increase in support for homebuilding, any legislative change fails to fully address the fundamental cause behind homelessness.

Figure 6 shows the projected increase in number of households each year to 2039 relative to the current government target of

**Figure 6: Projected increase in number of households in England against target number of dwellings completed and long term trend**

Source: DCLG Live Tables 209 & 411 (note: number of completions is by financial year)



200,000 new homes built every year. The long term trend in number of homes completed has also been extended (from Figure 2). Figure 6 shows that despite a recent upturn in home building from the lows of the recession, without a significant increase in investment it will be far from sufficient to meet the scale of need. The extension of the long term trend suggests that without increased investment in new homes, supply of new housing may not meet the 200,000 target until 2035.

Despite all of the initiatives by government over the last 15-20 years, supply has largely stalled around the 140,000 – 150,000 new homes a year level. According to DCLG figures, the last time over 200,000 new homes were built in a single year in England was in 1989. Without a dramatic change in direction, the increase in housebuilding in the last three years risks becoming just another fluctuation around the long term trend of increasing pressure and struggle for many thousands of households. Moreover, without financial support to provide more affordable homes, the potential changes in the homelessness duty may serve to push more households into temporary accommodation or an insecure private sector.

Housebuilding in England has only consistently achieved levels of over 200,000 new homes a year when government has been prepared to invest heavily in new affordable housing, for example between the 1950s and 1970s. The increase in rents and house prices relative to wages also demonstrates that a growing number of households are struggling to access genuinely affordable housing, and a government focus on home ownership will not meet the needs of many in this group. In this context, it is extremely difficult to see how homelessness will not continue to either worsen or simply calcify as an ongoing problem.



# The role of housing associations

**Housing associations have played a key role in tackling homelessness over the last 50 years. Average social housing rents were between 50-60% of private sector rents in 2014/15, and housing associations delivered over 40,000 new homes in England last year<sup>xiv</sup>. Of the households leaving temporary accommodation in Q2 2016, the majority entered into social housing<sup>xv</sup>.**

At Network Homes we take our obligation to build new homes seriously. In 2014/15 we achieved the greatest percentage increase<sup>xvi</sup> of homes owned through new development of any housing association in the country, and have set ourselves the ambitious target of building 1,000 new homes each year.

We also recognise that tackling homelessness requires the provision of diverse housing options to support people through periods of transition. We recently launched a partnership with the charity New Horizon to help tackle youth homelessness through Project Vista (see case study).

## Case Study: Project Vista

Project Vista aims to offer high quality accommodation to homeless young people whilst also supporting them to improve their employment situation and transition into independent living.

Eight young people are currently supported and housed through Project Vista, in shared accommodation flats owned by Network Homes and managed by New Horizon.

Sadie was one of the first to be housed. She was previously living in what she calls a “dysfunctional, overcrowded family home ... with lots of tension and arguments”. Sadie became homeless due to family breakdown, and was subsequently referred to Project Vista.

Speaking about her new flat, Sadie said: “The accommodation is lovely, me and my housemates are like a little family. I feel like I can enjoy my life.”

In addition to gaining accommodation, Sadie has been able to access the employment and training support offered by New Horizon. She was able to continue on the apprenticeship she started whilst living with her family, as well as taking on another part-time job found through the Employment, Education and Training Team.

Project Vista aims to help young people find a long-term housing solution, and to that end all participants are provided with employment, tenancy sustainment and financial literacy support throughout their year on the Project.

We will continue to support local authority partners in meeting their statutory obligations for homeless households, but the challenge remains daunting. It is clear that to reduce the number of homeless households the supply of housing needs to increase substantially and affordable options must be accessible to people priced out of home ownership. History suggests that in order to meet this challenge all actors in the housing sector

need additional financial support and a diverse range of housing options need to be available.

The housing market and policy landscape has changed beyond recognition in 50 years, and social landlords have changed significantly in response. What has not changed is the scale and the intensity of the impact of homelessness on people’s lives. The importance of an affordable

home for people like Cathy has never been more important.

The fact that Cathy Come Home continues to resonate so powerfully fifty years on shows that despite the outrage and the shockwaves the film created, successive attempts to overcome homelessness have basically failed. Unless more affordable homes are built, Cathy will never be able to come home.

## References

i Crisis: Homelessness  
Factfile 2003 – Page 24

ii S.Jenkins: 'Who is Shelter trying to help?', Evening Standard, 12 August 1976. Cited in Crowson, N. J. Revisiting the 1977 Housing (Homeless Persons) Act: Westminster, Whitehall, and the Homelessness Lobby, 2012

iii DCLG: Statutory homelessness and homelessness prevention and relief – Live Table 770

iv DCLG: Statutory homelessness and prevention and relief, April to June 2016: England, 2016 – Page 8

v IFS: Housing: Trends in Prices, Costs and Tenure, 2015 – Page 12

vi Inside Housing: The 100 Club, 2016

vii DCLG: English Housing Survey – Households 2013-14, 2015 – Page 11

viii Crisis: The homelessness monitor: England 2016, 2016 – Page vii

ix CHAIN: Chain Annual Report Greater London, April 2015 – March 2016 – Page 16

x DCLG: Statutory homelessness and prevention and relief, April to June 2016: England, 2016 – Page 7

xi ONS: Housing Summary Measures Analysis, 2015 – Page 9

xii Crisis: The homelessness monitor: England 2016, 2016 – Page xiv

xiii Crisis: Mental Ill Health in the Adult Single Homeless Population A review

of the Literature, 2009 – Page 3

xiv National Housing Federation: Delivering on the Supply Challenge, 2016 – Page 2

xv DCLG: Statutory homelessness and prevention and relief, April to June 2016: England, 2016 – Page 7

xvi Inside Housing: The Tipping Point, 2015

## Notes on trend lines

Figure 2:

1. Trend line for dwellings completed fits a second order polynomial line of best fit to number of completions 1970/71 - 2015/16. R squared = 0.8376

2. Trend line for increase in number of households fits a sixth order polynomial line of best fit to increase in number of households 1971-2016. R squared = 0.5037

## About Network Homes



Network Homes owns and manages 20,000 homes across London, Hertfordshire and the South East. We are developing over 1,000 new homes a year, one of the largest development programmes relative to size of any housing association in England. We also invest over £1 million a year in economic development, social and environmental projects in the communities where we work.

## Contact us

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