

The impact of universal credit rollout on homelessness assistance need in Scottish local authorities

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Abstract

Since 2013, the Universal Credit (UC) welfare reform has been rolling out gradually to overhaul the means-tested social security system for working-age people in low-income households in the United Kingdom. Existing research suggests that UC has had a detrimental impact on the housing security of claimants, with evidence of increases in rent arrears and landlord repossession actions as the reform has been rolled out. However, there is currently a lack of evidence on the impact of UC rollout on the most extreme form of housing insecurity—homelessness. This article addresses this gap in knowledge, using Scottish local authority level data obtained from the Scottish Government on monthly rates of Housing Options approaches and statutory homelessness claims, which is linked to data on the timing of UC rollout within local authorities. The staggered nature of UC rollout (i.e., the fact that it rolled out in different local authorities at different times) is exploited in order to measure its impact within 29 Scottish local authorities using fixed effects regression modelling. The results suggest that UC ‘Full Service’ rollout, up to March 2019, was associated with increases in Housing Options approach rates, but there was not clear evidence of an increase in rates of working-age statutory homelessness claims. Redesigning UC to increase its standard allowance

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and address its long wait periods and harsh sanctions would likely help to protect the housing security of claimants.

KEYWORDS

homelessness, housing insecurity, social security, universal credit, welfare reform

1 | INTRODUCTION

Universal Credit (UC) is a UK welfare reform which has been rolling out gradually since 2013, with its main 'Full Service' version for all claimant types (including those with housing costs) rolling out since 2016. UC overhauls six existing working-age means-tested benefits (now known as 'legacy benefits'), replacing them with a single UC payment administered by the Department for Work and Pensions (DWP). It is one element of the wider welfare reform agenda under the successive Conservative-led UK governments since 2010, and has been rolled out alongside other related reforms such as: (1) the Benefit Cap, which was introduced in 2013 to limit the total amount of benefit income low-income households can receive; (2) the Benefits Limit/Freeze, which limited and then froze the annual increases in benefit payments (i.e., uprating) from 2013 to 2020; (3) cuts to Local Housing Allowance (LHA), which reduced the amount of benefits paid to help with housing costs; (4) the two-child limit, which was introduced in 2017 to restrict Child Tax Credits/UC support to two children per household.

The original stated aims of UC were to: (1) simplify the welfare system by combining multiple distinctly administered benefits with a single payment; (2) improve financial work incentives by introducing work allowances and a single taper rate; (3) encourage people to transition into employment and increase their earnings/hours through increased conditionality and sanctioning; (4) make claiming welfare 'like work' by introducing a contract-like 'claimant commitment' and a monthly in arrears payment system; and (5) promote the UK's flexible labour market by introducing a 'Real Time Information' whereby payments are automatically recalculated in response to fluctuating earnings from employment (DWP, 2010, 2012).

Emerging evidence on the extent to which these aims have been met are mixed. There has been widespread support for the principle of simplifying the welfare system, and there is some evidence that UC increases work incentives for most groups (Gardiner & Finch, 2020), although not for second earners in couples (see: Bennett, 2012; Gardiner & Finch, 2020). There is also some evidence that UC rollout has been associated with positive outcomes related to employment entry (DWP, 2017; although not in-work progression (see DWP, 2018)). However, it has been suggested that UC's simplicity can be justified from an administrative perspective but not from the perspective of claimants (Summers & Young, 2020), and that the extent to which UC makes claiming welfare 'like work' is open to question (Millar & Bennett, 2017). Moreover, the current evidence base suggests that the rollout of UC—and some of its specific design features in particular—have been associated with increases in hardship and destitution among benefit claimants. For example, successive reports have highlighted the detrimental impact of UC's long wait periods, third-party deductions, direct payment system and recovery of benefit advances/overpayments on destitution in the United Kingdom (Fitzpatrick et al., 2018), and provided empirical evidence that the general rollout of UC is likely to have contributed to the post-2017 rises in destitution (Fitzpatrick et al., 2020). Meanwhile, other quantitative research has linked the rollout of UC to a disproportional loss of income among the poorest adults (Brewer et al., 2019), as well as increases in foodbank usage (Reeves & Loopstra, 2020; Sosenko et al., 2022; Thompson et al., 2019), psychological distress (Wickham et al., 2020) and acquisitive crime (d'Este & Harvey, 2022).

One area the impact of UC has been particularly apparent is housing. When UC was first announced, it was stated that the reform would 'simplify provision for rent support [...] as much as possible, while protecting potentially

vulnerable people from unintended consequences, such as getting into arrears or being made homeless' (DWP, 2010). However, in reality, as UC has rolled out there has been widespread concern among housing and homelessness charities over its housing impacts (e.g., see Crisis, 2017; Shelter, 2017), and there is a growing body of research providing evidence that UC is associated with housing insecurity. The DWP's own research into UC and housing has been limited to small scale pilot studies, and have found that rent arrears for housing association tenants increased during the move to UC (National Audit Office, 2018, pp. 44–45) but that most tenants were coping with the switch to direct payments (i.e., the shift towards housing costs payments being made into claimants own bank rather than to their landlord). Meanwhile, academic research using qualitative research methods have provided evidence of some claimants experiencing rent arrears and risk of eviction as a result of UC's long wait periods, sanctions and monthly direct payment system (Batty, 2018; Britain Thinks, 2018; Cheetham et al., 2018; Cheetham et al., 2019; Robertson et al., 2020; Wright & Dwyer, 2020; Wright et al., 2018). Likewise, quantitative research has provided evidence that UC rollout, so far, has been associated with increases in rates of rent arrears (Hardie, 2022; Hunter, 2020; National Audit Office, 2018; Smith Institute, 2017, 2019) and landlord repossession actions (Hardie, 2021).

Whilst it is known that UC rollout is associated with increases in rent arrears and landlord repossession actions, there is currently a lack of evidence on the link between UC and the most extreme form of housing insecurity—homelessness. To date, the only known study modelling the relationship between UC and homelessness is by Bramley (2021), which models (among other policy scenarios) the impact of potential reforms to UC on core homelessness and projects that large hikes to UC allowances would indeed lead to homelessness reductions. However, there are currently no known quantitative analyses on the actual impact of the introduction of UC on homelessness rates, and this is an important gap in knowledge, as homelessness is the most damaging form of housing insecurity, with the most serious consequences for public health (e.g., see Leng, 2017; Lewer et al., 2022; Waugh et al., 2018), and whilst housing insecurity in the form of rent arrears and repossession actions are harmful they do not automatically lead to homelessness.

This article addresses the impact of UC rollout on homelessness assistance need within local authorities in Scotland. Under Scottish homelessness legislation, households can make a statutory homelessness claim to their local authority and, provided they have a connection to the local area and are assessed as unintentionally homeless, they will have the right to permanent accommodation (ScotPHO, 2019). In addition to this, Scotland's homelessness system also includes 'Housing Options', which is an information and advice service that has been in place since 2010 for those who approach their local authority with a housing problem. Since its introduction, Housing Options approaches have been a key part of Scotland's homelessness prevention strategy (see Anderson, 2019; Anderson & Serpa, 2013; Mori & Littlewood, 2012). This approach aims to prevent homelessness by: (1) helping people with housing problems explore their housing options (e.g. this includes council housing, housing associations and private rented accommodation), and (2) providing support for underlying issues that can underpin housing problems, for example debt, family breakdown and mental health problems (Scottish Government, 2020a). This article makes use of local authority level data obtained from the Scottish Government on rates Housing Options approaches and statutory homelessness claims. This is linked to data on the timing of UC rollout within each local authority. This article's analysis exploits the staggered nature of UC rollout (i.e., the fact that it rolled out gradually, in different areas at different times), using a fixed effects panel design in order to examine the following research questions:

1. Has UC 'Full Service' rollout led to an increase in the rates of Housing Options approaches within Scottish local authorities up to March 2019?
2. Has UC 'Full Service' rollout led to an increase in the rates of working-age statutory homelessness claims within Scottish local authorities up to March 2019?
3. Does the impact of UC rollout (if any found) increase when it has been rolled out for longer and thus reached more claimants?

2 | DATA AND METHODS

2.1 | Setting

A monthly local authority level dataset was compiled, including data on rates of Housing Options approaches and statutory homelessness claims as well as data on the timing of UC rollout within each local authority. The final sample included 29 of Scotland's 32 local authority areas. Eilean Siar, Orkney Islands and Shetland Islands were all excluded due to their small population sizes. The analysis of Housing Options approaches covers the period of April 2014 to March 2019. This was selected as this is the full period for which data was available, as the Scottish Government did not start collecting Housing Options data until 2014. Meanwhile, the analysis of statutory homelessness claims covers the period January 2015 to March 2019. This period was selected as prior to 2015 there was a large drop in claim rates due to the introduction of Housing Options in 2010. Therefore, in order to avoid bias arising from this, the analysis was restricted to January 2015 to March 2019 as the Scottish Government have stated that during this period the effect of introducing Housing Options was no longer having an impact on statutory homelessness claim rates (see: Scottish Government, 2019, 2020b).

2.2 | Outcome variables

The data obtained from the Scottish Government was used to create two outcome variables for the analysis. The first is the 'Housing Options approach rate'. This provides information on the monthly number of Housing Options approaches made in each local authority in the sample, for each month between April 2014 and March 2019. It was converted from a raw figure into a rate per 10,000 households in the local authority using data from National Records for Scotland (NRS) on household estimates. The second outcome variable is the 'working-age statutory homelessness claim rate'. This provides information on the monthly number of statutory homelessness claims made in each local authority in the sample, for each month between January 2015 and March 2019. Claims were only included if the main applicant was of working-age (i.e., aged 16–64). It was converted into a rate per 10,000 working-age households (i.e., where the head of household was aged 16–64) using NRS household estimates data.

2.3 | Explanatory variables

Data from the official UC rollout schedule (available from: UK Government, 2015a, 2015b, 2018) was used to create two explanatory variables, which both measure cross-area variation in the timing of UC rollout (for full details of variation in UC rollout across local authority areas see Figure 1).

The first of these explanatory variables is 'UC Full Service Rollout', which is a binary variable indicating whether UC 'Full Service' had rolled out yet in each month in each local authority in the sample (coded: 0 = 'no', 1 = 'yes'). The rollout of the 'Full Service' version of UC was selected as this is the full version of UC that meant UC became available to all claimant types including those with housing costs. The earlier 'Live Service' version was not examined as it is unlikely to have affected homelessness as it only involved a small number of claims from those who were single, unemployed and not claiming housing costs (indeed, previous research into the impact of UC rollout has found that 'Live Service' rollout has had no significant impact on indicators of housing insecurity; Hardie, 2021, 2022).

The second explanatory variable is 'UC Full Service Rollout by Rollout Length'. This is a categorical variable indicating whether UC 'Full Service' had rolled out yet in each month in each local authority in the sample, and if so for how long (coded: 0 = 'No (pre rollout)', 1 = 'Yes (1-3 months post)', 2 = 'Yes (4-6 months post)', 3 = 'Yes (7-9 months post)', 4 = 'Yes 10-12 months post', and 5 = 'Yes (13+ months post)'). Examining the impact of UC

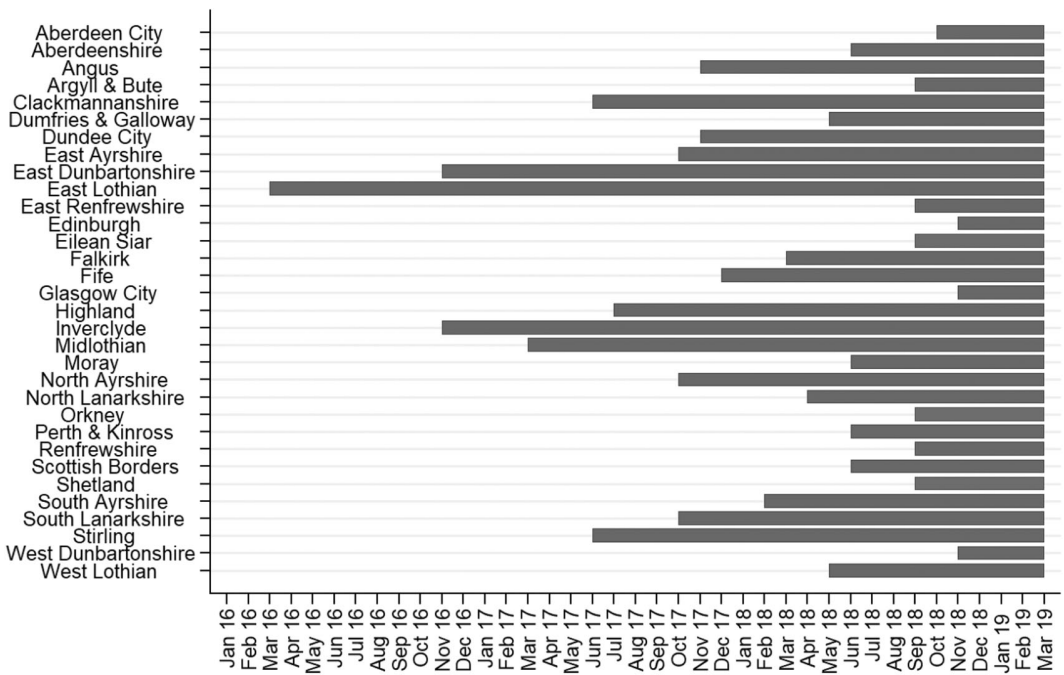


FIGURE 1 Variation in universal credit 'Full Service Rollout' across Scottish local authorities. Start point of bars represent month in which UC 'Full Service' rolled out within the local authority. Where rollout occurred in different Jobcentres within a local authority in different months it was only classified as a 'Full Service' area once rollout had reached the majority of Jobcentres. Eilean Siar, Orkney Islands and Shetland Islands are listed here, but were all excluded from the statistical analysis due to their small population sizes. Data sources for rollout schedule: (UK Government, 2015a, 2015b, 2018)

rollout by rollout length is important here given that, at the local authority level, UC's impact is expected to have a lag. This is because after UC is rolled out in an area it takes time for people to move onto UC (in the phase of rollout examined here people would only move onto UC if they were making a new claim or had a change in circumstance; see Kennedy & Keen, 2018) and more time for the impact of UC to become apparent in housing insecurity indicators like housing options approaches and statutory homelessness claims. Therefore, the 'UC Full Service Rollout by Rollout Length' variable is included here in order to test whether, as should be expected, the impact of UC increases when it has been rolled out for longer and thus reached more claimants.

2.4 | Control variables

Homelessness causation in the United Kingdom is complex and is determined by a wide range of factors, e.g. economic factors, housing supply, welfare policy (particularly related to rates of LHA) and homelessness policy (see Bramley & Fitzpatrick, 2018; Charlesworth et al., 2020; Watts et al., 2021). Therefore, in order to account for some of the key factors determining homelessness, this article's analysis includes four local authority level control variables. These are: (1) 'model-based unemployment rate'; (2) '10th percentile of weekly wages'; (3) 'rate of single adult households'; and (4) 'rate of single parent households'. These were selected as previous research into the determinants of homelessness have highlighted them as key homelessness determinants (Bramley et al., 2010; Bramley & Fitzpatrick, 2018; Fargo et al., 2013; Gould & Williams, 2010; Lee et al., 2003).

Rates of single adult and single parent households were included due to being found by these previous studies to be associated with homelessness outcomes, although it is worth noting that the impact of welfare reform may be greater in relation to families with two or more dependent children (Anderson et al., 2022).

Data on the model-based unemployment rate and 10th percentile of weekly wages come from NOMIS labour market statistics, and are linear interpolated to provide monthly estimates for each month in the sample. They were included because local labour market conditions such as unemployment and wages for low-income households have long been considered key homelessness determinants within homelessness literature (e.g., see Lee et al., 2003; Rossi & Wright, 1987). Data on 10th percentile weekly wages includes data on both part-time workers and full-time workers. Finally, data on rates of single adult households and single parent households come from annual data from the Scottish Household Survey, which were converted into rates per 10,000 households using NRS household estimates, and linear interpolated to provide monthly estimates.

2.5 | Statistical analysis

The relationship between UC rollout and rates of Housing Options approaches and statutory homelessness claims is examined by using the variables outlined above in fixed effects regression models. Fixed effects regression is one of the most widely used models for analysing panel data, and measures change over time within an entity (i.e., in this case Scottish local authorities; see Gayle & Lambert, 2018). The fixed effects regression models in this article's analysis include both local authority fixed effects and time fixed effects. The key advantage of this is that the inclusion of local authority fixed effects effectively controls for any unobserved baseline differences between local authorities, whilst the inclusion of time fixed effects effectively controls for unobserved variables that vary over time but not between local authorities (see: Stock & Watson, 2020). This reduces the risk of any potential omitted variable bias (Gayle & Lambert, 2018; Stock & Watson, 2020), and because UC rollout varied across time and between local authority areas using fixed effects regression modelling should allow for the impacts of UC rollout to be examined separately to the impact of other welfare reforms that were introduced at different times (e.g., the Benefit Cap, the Benefit Limit/Freeze, the two-child limit and cuts to LHA).

In the first part of the analysis, the binary 'UC Full Service' explanatory variable (outlined above in Section 2.4) is used to measure the overall impact of UC 'Full Service' rollout on rates of Housing Option approaches. This is as follows as follows:

$$HOA/SHC Rates_{it} = \beta_0 + \beta_1 UCFS_{it} + \beta_2 Unemployment_{it} + \beta_3 Wages_{it} + \beta_4 SAHH Rate_{it} + \beta_5 SPHH Rate_{it} + \beta_7 Month_t + \alpha_i + u_{it} \quad (1)$$

In the above equation (Equation 1), i is the local authority and t is the monthly time point. $HOA/SHC Rates$ are the rates of Housing Options approaches or statutory homelessness claims (with each being modelled separately) and $UCFS$ is the UC 'Full Service' explanatory variable. Meanwhile, $Unemployment$, $Wages$, $SAHH Rate$ and $SPHH Rate$ are, respectively, the four control variables outlined above in Section 2.4. Finally, $Month$ denotes the monthly time fixed effects, α_i the local authority fixed effects and u_{it} the error term.

In the second part of the analysis, the categorical 'UC Full Service Rollout by Rollout Length' explanatory variable is used to examine whether the impact of UC rollout increases the longer it has been rolled out for. This is important to include as if UC was having a detrimental effect this would be expected to increase the longer it had been rolled out for (as the longer it has been rolled out for the more people will have been affected by the policy). The specific modelling is as follows:

$$HOA/SHC Rates_{it} = \beta_0 + \beta_1 UCFS Length_{it} + \beta_2 Unemployment_{it} + \beta_3 Wages_{it} + \beta_4 SAHH Rate_{it} + \beta_5 SPHH Rate_{it} + \beta_7 Month_t + \alpha_i + u_{it} \quad (2)$$

In the above equation (Equation 2), *UCFS Length* is the UC 'Full Service' explanatory variable and all other variables are the same as those in Equation (1).

3 | RESULTS

3.1 | Overall impact of UC 'full service' rollout

Table 1 sets out the results of the modelling of the relationship between UC 'Full Service' rollout and rates of Housing Options approaches (in Model 1) and working-age statutory homelessness claims (in Model 2). The results suggest that, after accounting for the control variables, UC 'Full Service' was, overall, associated with an increase of 1.32 Housing Options approaches (per 10,000 households) within local authorities between April 2014 and March 2019. Meanwhile, the results also suggest that UC 'Full Service' rollout was, overall, associated with an increase of 0.45 working-age statutory homelessness claims (per 10,000 working households) within local authorities.

3.2 | Impact of UC 'full service' rollout by rollout length

Table 2 sets out the results of the modelling of the relationship between UC 'Full Service' by rollout length and rates of Housing Options approaches (in Model 1) and working-age statutory homelessness claims

TABLE 1 Relationship between UC 'Full Service' rollout and rates of housing options approaches (April 2014 to March 2019) and working-age homelessness claims (January 2015 to March 2019) across 29 Scottish local authorities

	(1) Housing options approach rate	(2) Working-age statutory homelessness claim rate
UC 'Full Service' rolled out		
[No]		
Yes	1.32* (0.57)	0.45* (0.18)
Per 1% rise in model based unemployment rate	0.05 (0.19)	0.07 (0.11)
Per £10 increase in 10th percentile weekly wages	0.23 (0.34)	0.12 (0.10)
Per 100 households increase in rate of single adult households	0.01 (0.06)	0.09** (0.03)
Per 100 households increase in rate of single parent households	0.25* (0.12)	0.19** (0.06)
Local authority months	1735	1479
R ²	0.235	0.352

Note: Driscoll-Kraay standard errors are shown in brackets under coefficients. All models include both local authority and (monthly) time fixed effects. All rates are per 10,000 households in the local authority, except 'working-age statutory homelessness claim rate', which is per 10,000 working-age households in the local authority. Tenth percentile weekly wages includes both part-time and full-time work.

[†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

TABLE 2 Relationship between UC 'Full Service' rollout by rollout length and rates of housing options approaches (April 2014 to March 2019) and working-age homelessness claims (January 2015 to March 2019) across 29 Scottish local authorities

	(1) Housing options approach rate	(2) Working-age statutory homelessness claim rate
UC 'Full Service' Rolled Out		
[No]		
Yes [1–3 months post]	0.65 (0.39)	0.34 [†] (0.17)
Yes [4–6 months post]	1.11* (0.49)	0.83*** (0.22)
Yes [7–9 months post]	2.50** (0.71)	0.25 (0.18)
Yes [10–12 months post]	2.07** (0.67)	0.12 (0.35)
Yes [13 or more months post]	3.65*** (0.88)	0.40 (0.35)
Per 1% rise in model based unemployment rate	0.11 (0.19)	0.07 (0.11)
Per £10 increase in 10th percentile weekly wages	0.17 (0.03)	0.12 (0.10)
Per 100 households increase in rate of single adult households	−0.02 (0.06)	0.09** (0.03)
Per 100 households increase in rate of single parent households	0.28* (0.12)	0.19** (0.06)
Local Authority Months	1735	1479
R ²	0.243	0.353

Note: Driscoll-Kraay standard errors are shown in brackets under coefficients. All models include both local authority and (monthly) time fixed effects. All rates are per 10,000 households in the local authority, except 'working-age statutory homelessness claim rate', which is per 10,000 working-age households in the local authority. Tenth percentile weekly wages includes both part-time and full-time work.

[†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

(in Model 2). This measures whether the impact of UC 'Full Service' increases when it has been rolled out for longer and therefore reached more claimants. In order to ease interpretation of the results, the main coefficients from Table 2 are also plotted visually in Figure 2. The results suggest that, in general, the impact of UC 'Full Service' rollout on Housing Options approach rates does indeed tend to increase the longer it has been rolled out for. Specifically, after accounting for the control variables, it is associated with a (non-statistically significant) increase of 0.65 approaches (per 10,000 households) 1–3 months post rollout, rising to 1.11 4–6 months post rollout, 2.50 7–9 months post rollout, 2.07 10–12 months post rollout and 3.65 13+ months post rollout. However, the impact of UC 'Full Service' rollout by rollout length on working-age statutory homelessness claim rates is less clear. It is associated with an increase of 0.34 claims (per 10,000 working-age households) 1–3 months post rollout and this does rise to 0.83 4–6 months post rollout. However, the impact then declines and becomes non-significant in further months post rollout. This suggests that although a positive relationship exists between UC 'Full Service' rollout and working-age statutory homelessness claim rates, the impact does not appear to increase the longer it has been rolled out despite the fact that more people will have moved onto UC.

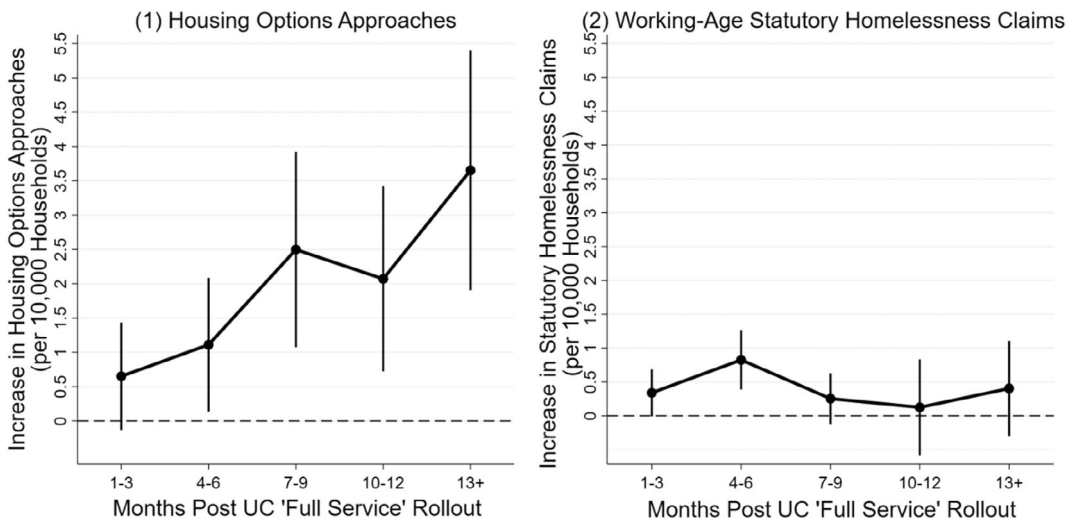


FIGURE 2 Visualisation of the Relationship between UC 'Full Service' rollout by Rollout Length and rates of housing options approaches (April 2014 to March 2019) and working-age homelessness claims (January 2015 to March 2019) across 29 Scottish local authorities. All point estimates are derived from the regression models in Table 2. Vertical bars represent 95% confidence intervals. The coefficients are statistically significant (at 5% level) where the 95% confidence intervals do not cross zero. The coefficients become slightly less precise in the quarters occurring further past UC 'Full Service' rollout due to decreasing sample size of local authorities (this is conveyed by the widening confidence intervals)

3.3 | Sensitivity analysis

In addition to the main analysis, two forms of sensitivity analysis were carried out in order to address potential concerns around the main analysis. Firstly, one concern with the main analysis is that it does not adjust for housing affordability. Data on rent levels is not available in Scotland at the local authority level. However, a key related factor is availability of social rented lettings. Consequently, a sensitivity analysis was carried out in which the main analysis was repeated but with 'social rented dwelling stock' included as an additional control variable. Secondly, another potential concern with the main analysis is that, because control variables are linear interpolated from annual data to give monthly figures this means that the number of cases from a viewpoint of statistical significance is exaggerated. In order to reduce the extent of this issue, a sensitivity analysis was carried out in which the main analysis was repeated but as a quarterly rather than monthly analysis. The results of both sensitivity analyses (provided in Appendix S1 and Appendix S2) do not significantly differ from the main analysis.

4 | DISCUSSION AND CONCLUSION

Universal Credit has been rollout out, gradually, since 2013, to overhaul the means-tested social security system for working-age people in low-income households in the United Kingdom. This article has exploited the staggered nature of UC rollout (i.e., the fact that it rolled out in different areas at different times) in order to measure its impact on homelessness assistance need within Scottish local authorities. Overall, the findings suggest that UC 'Full Service' rollout has been associated with an increase in rates of Housing Options approaches, but there was not clear evidence of an increase in rates of working-age statutory homelessness claims.

After accounting for unemployment, wages and rates of single adult and single parent households, UC 'Full Service' rollout was, overall, associated with an increase of 1.32 Housing Options approaches (per 10,000 households) within local authorities between April 2014 and March 2019. To provide some context on the scale of this increase, the mean Housing Options approach rate in the 6-month period prior to 'Full Service' rollout commencing (i.e., September 2015 to February 2016) was 6.2 approaches (per 10,000 households). Therefore, the increase of 1.32 approaches (per 10,000 households) represents around an 8% increase on pre rollout rates. Importantly, this impact of UC 'Full Service' on rates of Housing Options approaches tended to increase where it had been rolled out for longer and thus reached more claimants. For example, where UC 'Full Service' had been rolled out for 13+ months it was associated with an increase of 3.65 approaches (per 10,000 households), which represents around a 22% increase of pre rollout rates. However, with regards to working-age statutory homelessness claims, whilst there was a small positive association with UC 'Full Service' rollout ('Full Service' was associated with an increase of 0.45 working-age statutory homelessness claims per 10,000 households) this did not increase where it had been rolled out for longer, so there was not conclusive evidence that 'Full Service' rollout was associated with a clear increase in claim rates.

Overall, these research findings are significant in providing insight into our knowledge of the extent of the UC rollout's impact on housing insecurity. Throughout the rollout of UC so far, qualitative research has consistently provided evidence of UC claimants facing difficulties meeting rent payments and falling into rent arrears (see Batty, 2018; Britain Thinks, 2018; Cheetham et al., 2018, 2019; Robertson et al., 2020; Wright & Dwyer, 2020; Wright et al., 2018). Meanwhile, quantitative research has provided robust evidence that UC rollout has been associated with increases in rates of rent arrears (Hardie, 2022; Hunter, 2020; National Audit Office, 2018; Smith Institute, 2017, 2019) and landlord repossession actions (Hardie, 2021). The findings of this article suggest that, in addition to rent arrears and landlord repossession actions, UC rollout up to March 2019 was also associated with an increase in Housing Options approaches, but that there is not clear evidence of an increase in the most extreme form of housing insecurity—homelessness. Therefore, whilst UC rollout has had a detrimental impact on housing insecurity there may be protective factors, for example social support networks or information and advice services (including Housing Options but also advice and support from Citizens Advice, housing charities, homelessness charities, and housing associations), that are preventing UC rollout from having a clear impact on rates of homelessness claims. It is also possible that the impact of UC rollout on homelessness may occur in the longer-term and is not picked up in this analysis which is limited to the early stages of UC rollout (up to March 2019), that is, prior to the 'managed migration' phase where the many people who remain on legacy benefits are transferred over to UC. Whilst UC's impacts on earlier and less severe stages of housing insecurity such as Housing Options approaches, rent arrears (Hardie, 2022), and landlord repossession actions (Hardie, 2021) are picked up by 2019 it is possible that impacts on the most severe form of housing insecurity—homelessness—will take longer to occur.

This article's analysis does have some limitations which are important to note. Firstly, the analysis was limited to Scotland, as the UK's other nations have separate systems of homelessness data collection, and England's data collection methods changed in 2018 meaning that its data could not be used to analyse the impact of UC rollout. This article's findings may not be generalisable to the rest of the UK given that there are differences in the main drivers of homelessness between nations (see Fitzpatrick et al., 2019; Scottish Government, 2018; Shelter, 2016). Secondly, Scotland's official homelessness statistics capture those who make formal Housing Options approaches or statutory homelessness claims but this by no means fully captures homelessness. Importantly, there are many forms of 'hidden homelessness' which are not picked up in the data (e.g., this includes those living involuntarily with other households, squatters, 'sofa-surfers', rough sleepers in hidden locations, and those living in overcrowded or substandard conditions; see Fitzpatrick et al., 2015). Thirdly, in addition to 'hidden homelessness' another issue with using official homelessness data is that people will not seek homelessness assistance from their local authority (and thus not be included in the data) if they do not think that they will receive help. This can reduce the reliability of official data as an indicator of the scale of homelessness. For example, despite other evidence of acute housing and homelessness pressures in Edinburgh, there has been a sharp fall in both homelessness applications and Housing Options

approaches in recent years. This has been interpreted by some as arising from potential applicants feelings that Edinburgh provide poor offers to applicants (see Fitzpatrick et al., 2019). Fourthly, because the control variables included in this analysis were linear interpolated across months, this leads to significant noise in the data at the monthly level, and means that the control variables are less accurate than other variables in picking up month-to-month variation and season fluctuations. Control variables based on the Scottish Household Survey may also be subject to sampling error. Finally, due to data availability, the analysis used local authority level data rather than individual level data. This creates potential for ecological fallacy, and also means that it was not possible to control for all potential determinants of homelessness at the individual level, or for factors such as housing affordability as data was not available on this at the local authority level. However, the inclusion of local authority and time fixed effects do control for any unobserved confounders provided that they do not vary both across local authorities and over time (see Stock & Watson, 2020).

It is important that the research findings in this article are considered whilst noting the above limitations. Nevertheless, if UC rollout has increased Housing Options approach rates, as appears to have been the case, this has some important implications. There are multiple aspects of its design that may cause hardship and lead to housing problems among claimants. Firstly, the long wait period (usually around 5 weeks) between making a UC claim and receiving the first payment under UC can lead to housing problems as those without adequate savings will struggle to avoid falling into arrears. The DWP have attempted to address this issue by offering advance payments for those unable to manage financially during the wait period. However, advances are only a temporary solution, as they are effectively loans which must be paid back over time. Secondly, an additional issue with UC's design is its harsh conditionality and sanctioning policy. Under UC, punitive conditionality has become 'ubiquitous', with widespread application of very harsh sanctioning (Dwyer & Wright, 2014; Wright & Patrick, 2019). This can lead to housing problems as the withdrawal of benefit income through sanctions can leave claimants without enough income to meet rent payments, particularly when other deductions that are unrelated to sanctions (e.g., for third-party deductions or repayment of advances/overpayments) may also be in place (Fitzpatrick et al., 2018). Thirdly, under UC, claimants are by default paid monthly in arrears with housing costs paid directly into claimants own bank account, whereas previous benefits were paid on a more frequent basis and Housing Benefit was paid to landlords bank accounts. This can cause housing problems as it means claimants have longer to wait with insufficient funds, and may 'borrow' from their housing costs to pay for other essential costs. However, Alternative Payment Arrangements (APAs) and UC 'Scottish Choices' have now been introduced to offer alternative payment systems. There is some evidence that APAs have helped reduce rent arrears (Smith Institute, 2019), and other safeguards such as discretionary housing payments are also available and play an important role in alleviating the negative impact of UC rollout and other welfare reforms on housing insecurity (Child Poverty Action Group In Scotland, 2022). Finally, another important factor that determines the housing security of UC claimants is the actual value of UC payments. Research during the COVID-19 pandemic, when UC's standard allowance was temporarily uplifted by £20 per week, suggests that even with uplift the value of UC was still inadequate, with many claimants still experiencing financial difficulties and falling behind with their housing costs (Summers et al., 2021).

Considering all of these issues around UC together, it is clear that there are both: (1) issues regarding the initial transition onto UC (e.g., relating to the wait for the first payment), and (2) issues that are ongoing and cumulative for those remaining on UC (e.g., relating to the inadequate value of UC payments, harsh sanctioning policy and monthly arrears payment system). Addressing these issues would likely help to better protect the housing security of claimants, and reduce rates of rent arrears, landlord repossession actions and Housing Options approaches. As highlighted by Bramley (2021), changes to UC (such as raising the standard allowance), alongside other policy mechanisms like rapid rehousing quotas, 'Housing First' and increasing LHA, have the potential to reduce homelessness. The current scale of housing insecurity in Scotland and the rest of the United Kingdom is not inevitable, and addressing current issues for those both transitioning onto UC and remaining on UC would be likely to protect claimants against rent arrears and evictions and reduce homelessness assistance need.

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CONFLICT OF INTEREST STATEMENT

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

The Data used in this analysis was accessed via the Scottish Government and cannot be shared directly by the author.

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SUPPORTING INFORMATION

Additional supporting information can be found online in the Supporting Information section at the end of this article.

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