

Home for Good campaign briefing: fixing funding for homelessness services – update

February 2020

Home for Good

Government action can prevent homelessness and end rough sleeping. Our Home for Good campaign is calling on the Government to:

- Invest an extra £1 billion a year in services that prevent homelessness and end rough sleeping.
- Build more social homes and make them available to people who have slept rough.
- Improve private renting to better suit the needs of people with a history of sleeping rough.

In this briefing we focus on the first of these priorities. We draw on newly updated research¹ to describe how funding for homelessness services has changed in recent years. We also outline what needs to be done to fix funding for homelessness services for the future.

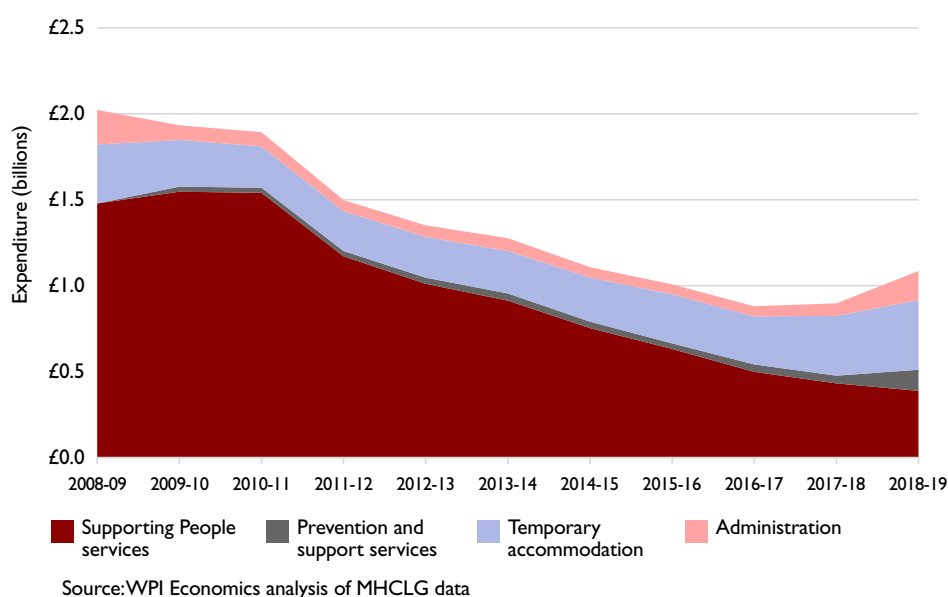


Since 2008, nearly £1 billion has been cut from support services for homeless people.

Homelessness services provide specialist one-to-one support to help people find a home and to cope with complex problems like poor mental health, substance use and domestic abuse. Crucially, they can prevent people from sleeping rough by helping them before they become homeless. But without the right funding, these vital services cannot support everyone who needs them.

New research by WPI Economics, on behalf of St Mungo's and Homeless Link, shows that last year, councils in England spent nearly £1 billion less on services supporting single homeless people² compared to a decade ago.

Components of spending on single homelessness, 2018-19 prices³



¹ WPI Economics (2020) *Local authority spending on homelessness. 2020 update*

² In this briefing 'single homelessness' refers to homeless households without any dependent children, including multi-adult households.

³ 'Supporting People' and 'prevention and support' services in this graph relate to spending on homelessness services for people who need extra support to maintain a tenancy, as described in this briefing.

Government cuts to council funding have resulted in cuts to vital homelessness services for people who need extra support.

At the same time, councils are being forced to spend more on temporary housing for homeless families because of a shortage of social housing and cuts to housing benefit in the private rented sector.

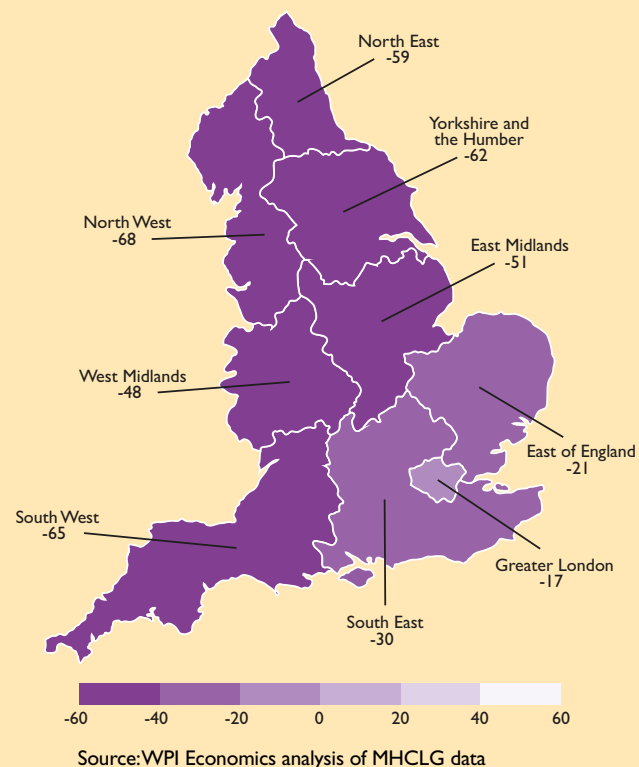


Despite this, total council spending on all homelessness related activity has fallen from £2.9 billion in 2008-09 to £2.2 billion last year. If spending had remained at 2008-09 levels an extra £6.2 billion would have been spent on preventing and tackling homelessness over the last decade.

After a decade of austerity and rising homelessness, the pressure on council budgets is intense. Many have had to spend less on services that prevent homelessness.



Percentage cut in spending on single homelessness between 2008-09 and 2018-19, in 2018-19 prices



While funding has been cut, the need for homelessness services has risen

Rough sleeping in England has increased by 141% since 2010, and **726 people died** while sleeping rough or in emergency accommodation (England and Wales) in 2018. The number of households in temporary accommodation is up 79% since 2010.⁴

The need for services that address the problems facing people who are homeless, or at risk of homelessness, could not be more apparent. And yet funding cuts have left too many people without the right support. Councils are being forced to spend large sums on temporary housing instead of investing in sustainable solutions to homelessness, including services that help people at risk of losing their home.

Our research includes interviews with people who have managed homelessness services for many years. We asked them about the impact of changes to funding over the past decade.

⁴ MHCLG Statutory homelessness live tables <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>



“This is my third rough sleeping strategy that I can recall, and they come round every ten years, and the government of the day will throw a lot of money at it, but in the intervening ten years, existing service provision has been eroded.”

Janet Martin, Hostel Manager, London

Funding cuts mean fewer services to prevent homelessness

Homeless Link research shows almost 9,000 hostel and supported housing bed spaces have been cut since 2010.⁵ This is illustrated by our interviews with homelessness service managers.

“I managed a service called Caplan House, which was an eight-bed very complex needs homelessness hostel. It was commissioned to work with clients who had been evicted from all the other hostels in the borough. After I moved on from there, it was decommissioned, again, due to the cost implications of having such a highly staffed service. So, that was taken away.”

Matt Wilson, Supported Housing Manager, London

“Since 2008, we’ve seen the decommissioning of different hostels. We’ve probably lost about 100 bed spaces.”

Sarah Mitchell, Outreach Manager, South East

The cuts have made the shortage of supported housing worse. This means people are more likely to sleep rough, and when they do they have to wait longer for a place in a service that meets their needs.

“We’ve referred [clients] to the local authority they’re connected to for supported accommodation, they’ve been accepted, they’re on a waiting list, and that waiting list might be months and that didn’t used to be as bad. There used to be more [supported housing] units available.”

Simon Bennett, No Second Night Out Manager, London

Councils have tried to keep supported housing, but have had to reduce staffing levels. This means that services have to turn away individuals with more complex needs.

“The biggest impact has been that the people with the most complex needs that really need that support haven’t got anywhere suitable to go.”

Laura Shovlin, Outreach Manager, London

It also makes it harder to help people move on from supported housing and into their own home as quickly as they would with more intensive support.



“Ten years ago I had six more staff than I have now [...] six people is a lot of pairs of hands to lose.”

Janet Martin, Hostel Manager, London

‘Floating’ tenancy support services which help prevent people losing their social or private rented housing have also been severely impacted by cuts. Research by St Mungo’s found the total number of floating support services fell by 31% between 2013-14 and 2017-18 in the areas with the highest levels of rough sleeping in England.⁶

“Almost all the tenancy support services that were available to people, particularly for non-council tenants, they’ve all been cut completely. So, you know, quite few of the preventative services have gone, and that’s obviously not been helpful in terms of numbers ending up on the street who didn’t need to.”

Eammon Egerton, Outreach Manager, London

Cuts to other services relied upon by people at risk of homelessness have also made it harder to prevent homelessness.

“Services for things like mental health, emotional support in a more general sense, things to get people into employment, things to support people with their physical health, have been cut because they’re considered non-essential compared to things that are even more essential.”

Simon Bennett, No Second Night Out Manager, London

⁵ Homeless Link (2019) *Support for single homeless people in England. Annual Review 2018*
<https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review2018.pdf>

⁶ St Mungo’s (2018) *Home for Good: the role of floating support in ending rough sleeping*
<https://www.mungos.org/publication/home-for-good-the-role-of-floating-support-in-ending-rough-sleeping/>

Recent funding is welcome, but it doesn't address the causes of homelessness

The funding programmes that are part of the Government's **Rough Sleeping Strategy** have provided some welcome investment in services designed to find and help people already sleeping rough. They have also provided much needed funding for specialist homeless mental health services in a small number of areas. While valuable, the funding is insufficient, and too short-term, to tackle the causes of homelessness.

“So, people have smaller caseloads but we're still having the same challenges, that there's a waiting list for supported housing or people can't access private rented because of the LHA [Local Housing Allowance] rates and, you know, private landlords not wanting to take our clients. We do now have a hub but that's for seventeen people and we need more to deal with the demand.”

Sarah Mitchell, Outreach Manager, South East

Amount central government plans to spend on reducing homelessness and rough sleeping next year⁷

£437m

£1bn

Amount missing from homelessness services last year following a decade of cuts

Our recommendations

We can end rough sleeping. By 2010, 20 years of government action meant the end of rough sleeping was in sight. But since then spiralling housing costs, increasing insecurity for private renters and cuts to services that prevent homelessness have seen rough sleeping more than double. It doesn't have to be this way. The Government must use the 2020 Spending Review to tackle the causes of homelessness.

The Government should invest an extra £1 billion a year in services that prevent homelessness and end rough sleeping

We recommend funding is restored to the levels invested in homelessness services before the financial crash and this level of funding is maintained. This means spending an extra £1 billion in each year of the next Spending Review period and beyond if needed.

Analysis by other organisations supports this. Modelling by PwC on behalf of Crisis found that the cost of interventions required to help end homelessness would be £9.9 billion between 2018 and 2027. This would deliver benefits worth £26.4 billion.⁸

Funding should be provided via a new long-term, ring-fenced funding programme for councils

The Government should move away from short-term funding. This causes disruption for services and service users and prevents councils taking a more planned approach to reducing homelessness. Funding for homelessness services should become a reliable part of the overall financial settlement for councils.

Given the wider pressure on council budgets, the funding must be ring-fenced to ensure it is targeted at services that prevent and reduce homelessness. Without this, the money will be spent on other priorities.

⁷ Hansard (2020) *Homelessness: Finance: Written Question – 9589* <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-01-29/9589/>

⁸ PwC (2018) *Assessing the costs and benefits of Crisis' plan to end homelessness* <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/cost-of-homelessness/assessing-the-costs-and-benefits-of-crisis-plan-to-end-homelessness-2018/>

The new funding programme should provide services that help people find a home, and prevent people from being evicted

'Floating' tenancy support services must be re-instated. These should be focused on helping people at risk of homelessness to manage their tenancy on an ongoing basis, not only when they are faced with eviction.

"There's a real shortage of services to help people with support needs to manage tenancies, and so, a lot of people who don't really need to end up losing their housing and then come into the hostel pathway."

Matt Wilson, Supported Housing Manager, London

The new programme should also deliver services that provide long-term accommodation and support for people with complex needs

Supported housing services are proven to prevent repeat homelessness and can stop people at risk of homelessness from ever having to sleep rough.⁹ These services must be funded sufficiently to meet local need so that people are not left stuck on the streets.

There is also a need for more **Housing First** services, which offer individuals their own, stable home and intensive support for as long as they need it.

Services should be fully resourced to address all of the support needs of people who are homeless. This means having substance use and mental health workers who can help people to access the healthcare they need.

There is also a need for more women-only accommodation services. All services should be psychologically informed and offer effective support for people whose homelessness is rooted in repeated traumatic experiences, including violence and abuse.

"The more people you have, the more people can invest in the relationships that they have with their clients and so there's more time for them to do that. That's what makes a difference."

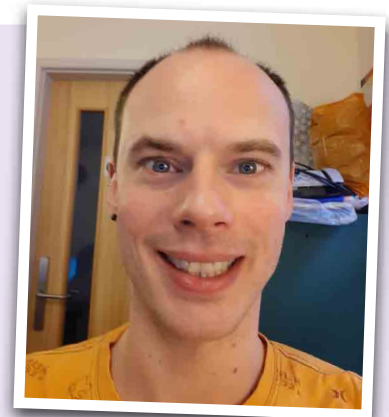
Janet Martin, Hostel Manager, London

As well as fixing funding for homelessness services, the Government should also use the Spending Review to tackle the housing crisis by:

- **Delivering a plan and investment for building 90,000 new homes for social rent every year for 15 years;¹⁰**
- **Bringing Local Housing Allowance rates back into line with at least the bottom 30% of local rents so people who need help from housing benefit can afford private rented housing.**

If these measures aren't included in the next Spending Review, the Government is likely to miss its target of ending rough sleeping by 2024.

"If the flow onto the streets isn't addressed as well then, it's actually just going to be a bottomless pit for spending without actually reducing rough sleeping numbers or reducing the number of people who have to have the experience of rough sleeping full stop, which does take time and money and effort for people to recover from."



Simon Bennet, No Second Night Out Manager, London

⁹ University of York (2018) *Using Housing First in Integrated Homelessness Strategies. A review of the evidence* https://www.mungos.org/wp-content/uploads/2018/02/ST_Mungos_HousingFirst_Report_2018.pdf

¹⁰ Research by Heriot-Watt University on behalf of Crisis and the National Housing Federation found 90,000 new homes for social rent are needed every year for 15 years to meet the current and future housing need in England, <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/housing-models-and-access/housing-supply-requirements-across-great-britain-2018/>