



Joint response to MHCLG consultation paper: The provisional local government finance settlement 2021-22.

15 January 2021.

Q8. Do you have any comments on the Government's plan not to publish Visible Lines?

As organisations supporting people facing homelessness and people locked in poverty who need emergency food support, we are concerned by the Government's proposals to remove the ['Visible Lines' allocations](#) from the core settlement for local authorities. These include current allocations lines for homelessness prevention and local welfare assistance.

We recognise that the 'Visible Lines' allocations are notional only, and are not ring-fenced allocations, and therefore local authorities are not beholden to them. However, from our experiences working with local authorities, the Visible Lines have a number of key advantages which would be lost if they are removed.

- The Visible Lines allocations provide clarity and an indication from national government on where national funding is expected to be spent. This can encourage local authorities to prioritise these areas and avoid using the money instead for competing demands. This can help mitigate the risk of non-statutory spending on homelessness being cut, for example on homelessness prevention.
- These allocations allow for tracking and understanding of local authority spending and internal redistribution of funding away from the named lines. This has been especially useful in the context of the coronavirus pandemic, where local authorities were having to respond to a significant and sudden volume of competing demands for funding.
- The Visible Lines allocations also play an important role in other support services that provide help to people facing homelessness and destitution, such as local welfare assistance schemes. Local welfare assistance schemes can provide immediate crisis support as well as help to tackle the underlying causes of crises. These allocations encourage councils to provide this support and cutting this line would signal this support is not a priority.

Indeed, the dramatic drop in local authority spending on homelessness over the past decade reinforces our concerns that homelessness budgets may be under threat. Research by WPI Economics, commissioned by St. Mungo's and Homeless Link, showed how in 2018/19, nearly £1 billion less was spent on support for single people facing homelessness than in 2008/9.¹ While spending on homelessness will have undoubtedly increased during 2020/2021, the shortfall has not been recovered. The protection of homelessness budgets will be crucial to enable our sector to support those impacted by the fall-out of the pandemic in the coming years.

¹ <https://www.homeless.org.uk/sites/default/files/site-attachments/Local%20authority%20homelessness%20spending%202020.pdf>

We call on the Government to maintain these named lines allocation to support the work of organisations such as ourselves and to provide clarity to local authorities on national government priorities.

Alongside keeping in named allocation lines, there is an urgent need for improved data collection regarding local authority spend on homelessness.

Research by WPI Economics, commissioned by St. Mungo's and Homeless Link identified limitations of the Revenue Outturn data. The key issue identified in this area are:

- Allocation of expenditure to different categories is not consistent between local authorities, or within a given local authority over time;
- Revenue Outturn data does not distinguish between spending on different groups of people who are homeless. While it is possible to approximate this using other data sources e.g. H-CLIC, understanding these trends in more detail would help policymakers to take better decisions and allow people in housing need to hold their local authority to account; and
- Spending on homelessness by bodies other than local authorities is not captured.

As organisations working with people who are homeless, Crisis, St. Mungo's, Shelter, and Homeless Link are calling on the Government to take steps to improve the consistency of local authority revenue expenditure data to enable data to be broken down more consistently by activity and by how it is spent on different groups of people experiencing homelessness. We also ask that Government collect and publish costs of all forms of homelessness to other public bodies, particularly organisations in the justice and health systems.

Making this data more consistent would have several benefits. It would improve understanding of the total costs to the state of homelessness, differences in local and regional levels of expenditure, and on the extent to which services are funded locally to deliver on statutory requirements (e.g. accommodating families) and non-statutory services funded by MHCLG (e.g. rough sleeping, which has very different profiles of need).

This would provide policymakers with a better understanding of the current total costs to the state of homelessness, as well as providing a baseline against which the financial benefits of preventative activity can be assessed. These benefits are not only felt by local authorities, but more widely - for example, in reduced criminal activity, and reduced use of emergency medical services.

It would also, ultimately, allow Government to assess how much of the non-ring-fenced funding they allocate to local authorities to tackle homelessness is actually spent on homelessness services, as well as what type of services they deliver and their outcomes. This will allow for better monitoring of how effective additional homelessness funding is in rehousing people who are homeless into settled accommodation with adequate support to prevent repeat homelessness.