

Autumn Statement 2026 Representation

Background – About St Mungo's

[St Mungo's](#) is a leading homelessness charity. We work in partnership with local authorities, health colleagues, and communities, to end homelessness and rebuild lives. Last year, we supported 28,402 people who were homeless, or at risk of homelessness, through 169 services. Our work means we were able to provide somewhere safe to stay to 2,205 people every night. Our ambition is to end rough sleeping in this country, and we believe that policies and interventions can be put in place to end all forms of homelessness for good.

Recommendations

1. **Increase funding for services that support people with the most multiple disadvantage**, including assertive outreach, cross-boundary navigator teams and emergency accommodation models.
2. **Establish a multi-year Housing and Support Pathway Fund** to expand the supply of supported housing, Housing First accommodation and move-on housing, ensuring people experiencing or at risk of homelessness can access the right home, with the right level of support, at the right time.
3. **Restore housing affordability and improve housing accessibility by uprating Local Housing Allowance (LHA), abolishing the Shared Accommodation Rate (SAR) and uprating the temporary accommodation subsidy.** The Government should uprate LHA rates to at least the 30th percentile of local rents and commit to annual uprating, abolish the SAR, whilst simultaneously reforming and uprating temporary accommodation subsidy rates. This should reflect the true cost of providing accommodation and reduce financial pressures on local authorities.
4. **Establish a multi-year Homelessness Prevention Fund** to support local authorities, housing providers and specialist homelessness organisations to intervene early and prevent homelessness before crisis occurs. The fund should support tenancy sustainment, specialist prevention services, housing advice and targeted interventions for groups at heightened risk of homelessness, including people leaving hospitals, prisons and asylum accommodation, ensuring no one is discharged into homelessness.
5. **Invest in an Employment Support Fund for People at Risk of Homelessness** bringing together housing, employment and health support to help people access and sustain good-quality work.

1. Increase funding for services that support people with multiple disadvantage.

People experiencing long-term rough sleeping often face multiple and overlapping forms of disadvantage, meaning that they may need support with housing, mental health, substance use, physical health, trauma, contact with the criminal justice system or other pressures at the same time. MHCLG's 2025 survey found that 83% of respondents who had experienced rough sleeping reported a mental health support need, 54% reported a substance use need and 80% reported a long-standing physical impairment, illness or disability. Among people assessed by St Mungo's in 2025/26, 73% had a mental health support need, 44% had a substance use support need and 60% had a physical health support need.

These overlapping needs can make it harder to access support when services are organised around single issues. Dame Carol Black's review found that people can be excluded from mental health services until their substance use is addressed, while also being excluded from substance use services until their mental health needs are resolved.¹

¹ Department of Health and Social Care. (2025). [Co-occurring mental health and substance use delivery framework](#)

There is also a strong economic case for sustained investment. Changing Futures, a cross-government programme supporting adults experiencing multiple disadvantage, including homelessness, substance misuse, mental ill health, domestic abuse and contact with the criminal justice system, makes the economic case for sustained investment. The independent evaluation of Changing Futures found that the programme cost £5,769 per participant, compared with £10,127 in fiscal, economic and social benefits, including reduced rough sleeping, crime and domestic abuse and improved health-related quality of life. The programme remained cost-beneficial even under the pessimistic scenario and was associated with reductions in recent rough sleeping, homelessness and accident and emergency (A&E) use.² Government should therefore treat multi-year funding for intensive, coordinated support as preventative investment, helping local systems intervene earlier and reduce pressure across housing, health, criminal justice and welfare. This should include funding for:

- **Assertive outreach:** skilled, trauma-informed teams that can build trust over time with people who have been repeatedly failed by services or are not ready to engage when support is first offered. This should include specialist expertise in mental health, substance use and physical health.
- **Cross-boundary navigator teams:** specialist workers who can support people with the highest levels of need across local authority boundaries and remain involved from rough sleeping through to settled accommodation. The St Mungo's Navigators Team supports people facing some of the most complex and long-term experiences of rough sleeping, working across borough boundaries to provide seamless support and helping people navigate the homelessness system. The team shows the value of this model, with internal evidence pointing to strong accommodation outcomes, sustainment rates and efficiencies from pan-London or cross-borough approaches that pool expertise and resources.
- **Housing First and intensive tenancy sustainment:** long-term, flexible support for people who need help to move into and maintain accommodation, rather than short-term interventions that end before people are settled.
- **Emergency accommodation pathways:** flexible options that provide an immediate route off the streets and connect people to assessment, specialist support, recovery services and longer-term housing.

2. Establish a multi-year Housing and Support Pathway Fund to expand supported housing, Housing First and move-on housing, so people can access the right home with the right support at the right time.

People experiencing homelessness need different types of housing and support. For those facing multiple disadvantage, including poor mental health, substance use, physical ill health or contact with the criminal justice system, housing must be combined with flexible, specialist support. The Government's National Plan to End Homelessness recognises that the right support alongside housing can improve outcomes and reduce the risk of repeat homelessness and rough sleeping.³ There is a strong practical and fiscal case for a multi-year Housing and Support Pathway Fund:

- **Supported housing supply is far below need.** Government estimates suggest between 179,600 and 388,100 additional supported housing units are required to meet current unmet need,

² Ministry of Housing, Communities and Local Government. (2025). [Evaluation of the Changing Futures programme](#)

³ Ministry of Housing, Communities and Local Government. (2025). [A National Plan to End Homelessness](#)

including around 91,100 for working-age people.⁴ Funding shortages, fragmented responsibilities and limited strategic planning have made it harder to sustain existing provision or develop the new homes and support needed for people with increasingly complex needs.⁵

- **Move-on shortages create blockages.** When people who no longer need intensive support cannot access affordable move-on housing, supported housing capacity is reduced for those with higher needs. Among households rough sleeping at assessment who later secured accommodation, 50.7% moved into social-rented supported housing or hostel accommodation, compared with 18.7% across all households.⁶
- **Housing First can reduce pressure on services.** The 2024 national evaluation found reduced use of homelessness and prison services after 12 months, with estimated annual savings of £6,116 in homelessness-service costs and £1,804 in prison costs per person.⁷
- **Earlier investment can reduce crisis spending.** Government estimates show £3.7 billion was spent on homelessness in 2024/25, including £2.8 billion on temporary accommodation. B&B and nightly-paid accommodation costs doubled in a year, while rough sleeping generates average public-service costs of around £14,000 per person.⁸ A multi-year fund would help shift spending away from crisis responses and towards prevention, recovery and sustainable housing.

The Treasury should establish a multi-year fund to give local and strategic authorities the certainty needed to expand supported housing, Housing First, specialist accommodation and affordable move-on homes, while enabling providers to recruit skilled staff and build effective partnerships across housing, health, social care, substance-use and criminal-justice services.

3. Restore housing affordability and accessibility by uprating Local Housing Allowance (LHA), abolishing the Shared Accommodation Rate (SAR) and reforming temporary accommodation subsidy.

Housing unaffordability and insecurity are making it harder to prevent homelessness and move people on from services. Shortages of affordable housing create bottlenecks across homelessness pathways, with people remaining in supported accommodation because suitable move-on options are unavailable. Wider evidence shows the scale of the problem: only 5% of private rented properties were affordable to people on housing benefit.⁹ There is a strong preventative and fiscal case for reform:

- **Uprate LHA permanently.** 135,580 households were in temporary accommodation at 31 March 2026, including 177,530 children. This is not simply a welfare issue: rising homelessness is increasing pressure on local government, the NHS and the criminal justice system. London Councils estimate that maintaining the LHA freeze could lead to an additional 16,500–22,000 London households becoming homeless by 2030, while restoring LHA could save London public finances more than £100m annually.¹⁰
- **Abolish the SAR.** The SAR restricts housing options for most single adults under 35, including people who need self-contained accommodation because of their risks or support needs.

⁴ Ministry of Housing, Communities and Local Government. (2024). [Supported Housing Review 2023: Executive summary](#)

⁵ Ministry of Housing, Communities and Local Government. (2025). [Systems-wide evaluation of homelessness and rough sleeping: Supported housing](#)

⁶ Ministry of Housing, Communities and Local Government. (2025). [Statutory homelessness in England: financial year 2024-25](#)

⁷ Ministry of Housing, Communities and Local Government. (2025). [Housing First Pilots: Cost Benefit Analysis](#)

⁸ Ministry of Housing, Communities and Local Government. (2025). [A National Plan to End Homelessness](#)

⁹ National Institute of Economic and Social Research. (2025). [UK Living Standards Review 2025](#)

¹⁰ London Councils. (2023). [Raise housing support to prevent 60,000 London renters becoming homeless](#)

Government research identified the SAR as “one of the biggest challenges” to securing move-on accommodation for this group, and found that a lack of suitable move-on housing is already creating system blockages, with around two fifths of residents in one local authority’s commissioned supported housing ready to move on but unable to do so.¹¹ Abolishing the SAR would expand access to appropriate self-contained housing, strengthen move-on pathways and reduce the risk of repeat homelessness.

- **Increase temporary accommodation subsidy.** Councils spent £2.8bn on temporary accommodation in 2024/25, up from £2.3bn in 2023/24.¹⁵ In 2023/24, the Local Government Association (LGA) found that councils faced a £260m gap between eligible temporary accommodation costs and Department for Work and Pensions (DWP) reimbursement.¹² Uprating subsidy rates would better reflect current housing costs and reduce pressure on local authorities.

Taken together, permanently uprating LHA, abolishing the SAR and reforming temporary accommodation subsidy would help prevent homelessness, improve move-on from homelessness services and reduce the escalating cost of temporary accommodation.

4. **Establish a multi-year Homelessness Prevention Fund to help local authorities, housing providers and specialist services intervene earlier, including for people leaving hospitals, prisons and asylum accommodation.**

Preventing homelessness is better for individuals and more cost-effective for government than responding once someone has already lost their home. The risk is particularly acute at transition points where people move between public systems, including discharge from hospital, release from prison and leaving asylum accommodation. A dedicated prevention fund should complement existing homelessness funding by supporting earlier, coordinated local intervention in these settings, so people are not left to navigate housing, health, justice and immigration systems alone.

- **Hospital discharge:** people experiencing homelessness often have higher and more complex health needs, making a safe discharge plan particularly important. However, there were more than 10,000 occasions where someone was discharged from the hospital to the street in 2025, a 17% increase on the previous year.¹³ Prevention funding should support specialist discharge teams, step-down accommodation and housing support, reducing unsafe discharge and delayed discharge pressures on the NHS.
- **Prison leavers:** 14.9% of prison leavers were released homeless or rough sleeping in 2024/25, and reoffending rates are much higher for people with no accommodation on release.¹⁴ Housing work often starts too late in custody, with late identification of need, inconsistent referrals and fragmented coordination. Funding should support earlier housing assessments, release planning, tenancy sustainment, benefits and employment support, and coordination between prisons, probation, local authorities, housing providers and specialist services.
- **Newly recognised refugees:** homelessness linked to leaving Home Office asylum accommodation has risen sharply, with prevention duties up 114% and relief duties up 252% in 2023/24. Between October to December 2025, there was a 57% increase from the previous year in those owed a prevention duty because they were required to leave Home Office accommodation provided as

¹¹ Ministry of Housing, Communities and Local Government. (2025). [Systems-wide evaluation of homelessness and rough sleeping: Supported housing](#)

¹² Local Government Association. (2025). [Temporary accommodation funding gap grows by 30 per cent in a year](#)

¹³ Pathway. (2026). [Ending Street Discharge, a delivery paper for national policy makers](#)

¹⁴ HM Prison and Probation Service. (2025). [HMPPS Annual report and accounts 2024-25: Performance Report](#)

asylum support.¹⁵ Newly recognised refugees must secure housing, benefits, documentation and local support in a very limited timeframe.¹⁶ Government should maintain a 56-day move-on period and provide sustainable, ring-fenced funding for proactive support from the point of a positive asylum decision.

A multi-year Homelessness Prevention Fund should enable local authorities, housing providers and specialist organisations to intervene earlier, sustain tenancies and prevent people leaving institutions or asylum accommodation from entering homelessness. This would reduce avoidable demand on homelessness services, temporary accommodation, the NHS and the criminal justice system.

5. Establish an Employment Support Fund to help people experiencing or at risk of homelessness access and sustain good-quality work.

Employment can support financial security and independence, but people experiencing homelessness face significant barriers to getting and keeping work. In 2024/25, only 27.4% of lead applicants owed a homelessness duty were in work, compared with 57.4% of the wider population.¹⁷

A dedicated Employment Support Fund should address the practical barriers that can make employment harder to secure and sustain:

- **Homelessness is a barrier to work.** DWP research from 2024 found that 59% of disadvantaged Universal Credit claimants with recent experience of homelessness saw homelessness as a barrier to finding work, while 41% of those already in employment said it made work harder to sustain.¹⁸
- **People facing multiple disadvantage need tailored support.** Among Universal Credit claimants experiencing multiple disadvantage, only 13% were in employment, while 47% were long-term sick or disabled and 65% had a mental health condition. However, 55% of disadvantaged claimants out of work said returning to work was possible with the right support, and 39% of those with recent experience of homelessness identified getting a job as a priority.¹⁹
- **Support should be integrated and flexible.** Funding should bring together housing, employment and health support, including job coaching, skills development, employer engagement, vocational training, help with identification and digital access, and longer-term in-work support.
- **There is an economic case for investment.** The Government's evaluation of Health-led Employment Trials found estimated economic returns of £1.22–£2.32 for every £1 invested in Individual Placement and Support, driven substantially by improved health outcomes.²⁰

Delivery should involve Jobcentre Plus, local authorities, housing providers, homelessness organisations, health services and employers, so support is available when someone is ready rather than requiring people to navigate multiple systems independently. An Employment Support Fund would help more people experiencing or at risk of homelessness access and sustain good-quality work,

¹⁵ Ministry of Housing, Communities and Local Government. (2026). [Statutory homelessness in England: October to December 2025 - GOV.UK](#)

¹⁶ Home Office. (2025). [Understanding asylum seeker and asylum-route refugee vulnerabilities, needs, and support](#)

¹⁷ Ministry of Housing, Communities and Local Government. (2025). [Statutory homelessness in England: financial year 2024-25](#)

¹⁸ Department for Work and Pensions. (2025). [Survey of disadvantaged groups on Universal Credit covering: care experience, ex-offenders, homelessness and substance dependency](#)

¹⁹ Department for Work and Pensions. (2025). [Survey of disadvantaged groups on Universal Credit covering: care experience, ex-offenders, homelessness and substance dependency](#)

²⁰ Department for Work and Pensions. (2023). [Health-led Trials: Evaluation Synthesis Report](#)

while supporting wider goals to reduce homelessness, improve health and increase financial resilience.