

COUNTING THE COST OF CUTS TO HOMELESSNESS SUPPORT

Homeless Link has contacted over 500 homelessness services across England to build a comprehensive picture of likely cuts to their funding from April 2011. This shows the impact these cuts may have on services and the lives of the people who use them.

Homeless Link have also analysed the planned 'Supporting People' expenditure announced by 84 local authorities to establish the potential extent of cuts to housing related support.ⁱ

This briefing sets out the main findings of this research and is designed to help homeless charities to continue to campaign, locally and nationally, to protect services for the most vulnerable.

KEY FACTS

(A) EXPECTED IMPACT ON SERVICES

A review of information provided by 500 homelessness services (30% of all homelessness services) indicates that:

- On average, services expect their total funding for 2011/12 to be reduced by **25%**ⁱⁱ
- Across all homelessness services, the number of available beds is expected to reduce by **16%** (**1807** less beds available confirmed, which would equate to almost 7000 less beds across England)
- **25%** of services expect to have to reduce the number of clients they can support.

Based on our sample, the impacts on services would include closures, reduced services and reduced staffing. If these impacts are repeated with all services:

- **22%** of accommodation services would close
- **46%** of all floating support services would reduce frontline staff
- **36%** of projects would reduce their support services

This project was led by local intelligence. Information was collected via a standardised survey, conducted by telephone or online, asking services about their expectations for funding cuts. Our online survey is available here: <http://homeless.org.uk/cuts-monitoring>

CLOSURES	N	% PROJECTED FOR ALL SERVICES IN ENGLAND
Day Centres	35	7%
Accommodation Services	116	22%
Floating Support	99	19%
Outreach Services	22	4%

REDUCED SERVICES	N	% PROJECTED FOR ALL SERVICES IN ENGLAND
ETE (Education, Training and Employment)	46	9%
Meaningful Activities:	123	24%
Support Services:	185	36%
Outreach Services:	101	19%
Opening Hours:	51	10%

REDUCED STAFFING	N	% PROJECTED FOR ALL SERVICES IN ENGLAND
Back/Head Office:	205	39%
Frontline Accommodation:	241	46%
Frontline Floating Support:	193	37%

(B) LOCAL AUTHORITY CUTS

Local authorities have taken a range of approaches to funding housing related support services from April 2011 (funded by 'Supporting People'ⁱⁱⁱ) which includes many homelessness support organisations. 152 local authorities administer Supporting People grant. However, as many local authorities are still in the process of setting their budgets for next year, Supporting People budget figures are not yet available from all areas. Homeless Link currently has information on 84 local authorities' planned Supporting People spend for 2011/12.

While all local authorities have had their total 'formula' grant reduced by central Government for next year, an analysis of information from these 84 local authorities indicates that:

- On average, Supporting People funding for 2011/12 will be reduced by **13%**
- The amount councils are planning to reduce budgets in 2011/12 varies widely, ranging from **1% - 45%**

Figures indicate an inconsistent approach, with the majority of local authorities cutting Supporting People funding by more or less than the cut they received from central Government. This means that many services are struggling or face closure, while others may have experienced a relatively small cut in funding.

- **41%** of local authorities are making 'disproportionate cuts', out of proportion to the total cut from central Government
- **14%** are making 'proportionate cuts', in line with their total cut from Government
- **45%** are making 'protective cuts', cutting Supporting People by less than the amount of their total funding cut they have received from Government

BENEATH THE FIGURES, MEETING THE CHALLENGE

The homelessness sector has made significant progress in recent years in building up the capacity of services to help vulnerable people gain skills and move back into employment and housing.

There is also strong evidence that investment in homelessness services helps to reduce spending on problems associated with homelessness such as substance misuse, anti-social behaviour, crime and ill-health.

- **Supporting People investment in housing related support pays for itself.** An independent evaluation carried out by CapGemini in 2009 for the Government ('Research into the financial benefits of the Supporting People programme') estimated that the national annual investment of £1.6 billion in housing-related support generated net savings of £3.4 billion by avoiding more costly acute services (subsequently revised to £1.9 billion by the government in July 2010). This means real cost savings and economic benefits to every local area.
- A 2008 report by the Cambridge Centre for Housing and Planning Research concluded that the Emmaus Community **saved the state annually just over £31,000** for each homeless person moving into work from one of its residential schemes.
- A 2007 evaluation of Fab Pad, a project run by Impact Arts to support young homeless people to sustain new tenancies, revealed that for every **£1 invested by the Government in support, £8.38 of social return** was derived in reduced health care costs, reduced welfare benefits expenditure and reduced costs of repeat homelessness.

See www.homeless.org.uk/costs-homelessness for references, more information and examples.

Although the precise impact of funding cuts on services cannot yet be gauged, what is clear is that a significant number of local authorities are planning disproportionate cuts to their housing support budgets. Charities fear that this will have a significant impact on the care they provide.

Central Government has appealed to local authorities to protect services for the most vulnerable. Likewise, local people and voluntary sector providers have outlined the value of support for these individuals, joined by national organisations like Homeless Link. This research indicates that many local authorities have listened to these appeals and have taken action to protect care for the homeless and other vulnerable groups. Local authorities that have sought to protect services are achieving this in a number of ways, for example:

- consulting and working closely with charities to develop imaginative new ways to prevent homelessness increasing
- jointly commissioning services with neighbouring authorities to reduce costs but maintain services
- extending the length of contracts and reducing the administrative demands on charities so they can focus resources on the frontline

However, disproportionate cuts are still being planned in 41% of areas. Services themselves are also dealing with the challenge of budget cuts in a variety of ways.

CASE STUDY 1: Negative

Region: East England (Essex County Council)
Service: Basildon Single Homeless Project (Nacro)
Target Group: Single homeless people with support needs
Funding cut: **20-30%** cut in overall funding in 2011/12

Impact on Services: The service is currently restructuring and when final budgets are confirmed there is likely to be a number of posts that are currently frozen that will be lost. There will be a reduction in ETE (Education, Training and Employment) provision and the service is looking to decrease support services like keyworking.

CASE STUDY 2: Positive

Region: North-East England (Newcastle upon Tyne Metropolitan District Council)
Service: Outpost Housing Project
Target Group: Young single homeless people aged 16-25 who are lesbian, gay, bisexual and/or transgendered with housing needs
Funding cut: **11%** cut in overall funding in 2011/2012

Impact on Services: The service is in a reasonably sound position as it also rent out flats to young vulnerable people and receives non-statutory funding. As requested by the local authority the service is looking at efficiencies. The project is proposing to utilise two of its floating support workers more and proposals have been made on providing training courses to other housing organisations around LGBT housing advice. Outpost has also begun working with the Albert Kennedy Trust to raise awareness of the issues faced by their client group. The project is looking to expand and had been approached by other housing providers.

In the coming year, services have told us that they will be trying to meet the challenge of reduced funding in a number of ways, including:

- looking to other funding streams – especially Social Enterprises, the Work Programme and other local charities
- providing more signposting rather than direct services, such as around education, training and employment
- implementing more lone working and group sessions
- using more volunteers to assist the work of professional Support Project Workers

However, it is unclear whether these steps will be enough to protect support for the most vulnerable in every local area.

WHAT NEXT?

In this era of austerity, the majority of services are already finding flexible and innovative new ways to deliver the same quality of services.

However, the full impacts of the cuts are yet to be seen and there are many challenges that lie ahead for the whole sector. After a long decline, this year we have seen significant increases in applications to local authorities for homelessness support. Moreover, benefit changes likely to affect vulnerable individuals may also increase demand for homelessness services, while reducing the ability of services to provide support. For example, in April 2011, changes to housing benefit will reduce the ability of many people to remain in their current accommodation.

Further cuts to local authority and other funding sources are planned by the Government after 2011/12. These will continue to increase the pressure on services. All of these factors are likely to have a serious impact on the most vulnerable people in society, many of whom rely on these crucial services for a home, advice and support.

However, it is not too late for central Government, local authorities and communities to reduce the impact of these cuts on homeless people. As a result of local campaigning, many local authorities have already reviewed their plans to cut local expenditure for housing support - many more can follow this example.

Homeless Link
22nd March 2011

Q&A

Why have you gathered this information?

Homeless Link started monitoring cuts in October 2010 in response to the Government's Comprehensive Spending Review. So far, we have contacted 500 homelessness services in 72 local authority areas across England to build a picture of likely cuts, and the impact these may have on services. This information has played a key role in helping our regional and national teams to provide information, advice and support to services to lobby locally and nationally to protect services for the most vulnerable.

We are publishing our findings now as we have built up a comprehensive picture of services' expectation of cuts they will receive. Local authorities have had their funding cut significantly by central Government and difficult decisions have to be made, but this research indicates disproportionate cuts are being made that threaten to impact heavily on homelessness support. We hope that making our findings public will help to raise awareness and avoid making homelessness worse.

How did you gather this information?

Homeless Link currently has information for 1755 services; a breakdown of 1555 hostels and 200 Day Centres across the UK. Our survey of homelessness providers is based on information provided by 500 of these services. Information on local authority spending plans has been gathered from a variety of sources.

Why doesn't your survey cover every local authority?

152 local councils receive Supporting People funding from central Government. However this analysis only covers local authorities which have made their planned budgets for 2011/12 available. So far, we have heard from 84 local authorities about their Supporting People spend for 2011/12.

What can local communities do to challenge these cuts?

It is not too late for local communities to challenge these cuts. Nearly a half of local authorities are making unjustifiable cuts to services for the homeless. Local people can play a crucial role in challenging these cuts and show their support for agencies that provide these vital services to the most vulnerable in our society. We would encourage local communities to meet with their local councillors, write to local papers and lobby their elected representatives through petitions and other means.

PLANNED CUTS BY AUTHORITY

LOCAL AUTHORITY	% TOTAL FORMULA GRANT CHANGE 2011-12 (compared with 2010-11 Formula Grant)	% SUPPORTING PEOPLE FUNDING CHANGE 2011-12	ARE LOCAL AUTHORITIES CUTTING OR PROTECTING SUPPORTING PEOPLE? (difference between total funding cut and Supporting People cut)
Barking & Dagenham	-8%	N/a	N/a
Barnet	-12%	N/a	N/a
Barnsley	-11%	-18%	-7%
Bath & North East Somerset	-14%	-12%	2%
Bedford	-13%	N/a	N/a
Bexley	-12%	17%	29%
Birmingham	-10%	-8%	2%
Blackburn	-8%	N/a	N/a
Blackpool	-9%	N/a	N/a
Bolton	-12%	N/a	N/a
Bournemouth	-13%	N/a	N/a
Bracknell Forest	-14%	-6%	8%
Bradford	-11%	0%	11%
Brent	-11%	-10%	1%
Brighton & Hove	-13%	-3%	10%
Bristol	-11%	-10%	1%
Bromley	-14%	0%	15%
Buckinghamshire	-14%	-3%	11%
Bury	-13%	-11%	3%
Calderdale	-12%	-10%	2%
Cambridgeshire	-14%	-5%	9%
Camden	-11%	-10%	1%
Central Bedfordshire	-14%	N/a	N/a
Cheshire East	-14%	N/a	N/a
Cheshire West & Chester	-13%	0%	13%
City of London	-7%	N/a	N/a
Cornwall	-12%	-40%	-28%

Coventry	-11%	N/a	N/a
Croydon	-11%	N/a	N/a
Cumbria	-10%	N/a	N/a
Darlington	-11%	N/a	N/a
Derby	-12%	-5%	7%
Derbyshire	-12%	-45%	-33%
Devon	-12%	-15%	-3%
Doncaster	-10%	-9%	1%
Dorset	-11%	-20%	-9%
Dudley	-10%	N/a	N/a
Durham	-11%	-21%	-10%
Ealing	-12%	-18%	-6%
East Riding	-13%	N/a	N/a
East Sussex	-13%	-1%	12%
Enfield	-8%	-7%	1%
Essex	-12%	-40%	-28%
Gateshead	-11%	N/a	N/a
Gloucestershire	-14%	-8%	5%
Greenwich	-11%	N/a	N/a
Hackney	-9%	-14%	-5%
Halton	-11%	N/a	N/a
Hammersmith & Fulham	-11%	N/a	N/a
Hampshire	-14%	-8%	6%
Haringey	-11%	-27%	-15%
Harrow	-10%	N/a	N/a
Hartlepool	-9%	N/a	N/a
Havering	-12%	N/a	N/a
Herefordshire	-13%	N/a	N/a
Hertfordshire	-14%	-5%	9%
Hillingdon	-12%	-15%	-3%
Hounslow	-13%	N/a	N/a
Isle of Wight	-12%	N/a	N/a
Isles of Scilly	0%	-3%	-3%
Islington	-11%	-11%	0%
Kensington & Chelsea	-12%	-8%	5%
Kent	-12%	N/a	N/a
Kingston upon Hull	-8%	-45%	-37%
Kingston upon Thames	-14%	N/a	N/a
Kirklees	-12%	N/a	N/a
Knowsley	-8%	N/a	N/a
Lambeth	-11%	-11%	0%
Lancashire	-12%	-10%	2%

Leeds	-12%	-10%	2%
Leicester	-9%	-15%	-6%
Leicestershire	-14%	N/a	N/a
Lewisham	-11%	-6%	5%
Lincolnshire	-11%	N/a	N/a
Liverpool	-7%	-30%	-23%
Luton	-9%	-10%	-1%
Manchester	-8%	-15%	-7%
Medway	-12%	N/a	N/a
Merton	-13%	-7%	6%
Middlesbrough	-9%	N/a	N/a
Milton Keynes	-10%	N/a	N/a
Newcastle upon Tyne	-11%	-25%	-14%
Newham	-9%	N/a	N/a
Norfolk	-10%	-33%	-22%
North East Lincolnshire	-11%	-0%	11%
North Lincolnshire	-12%	N/a	N/a
North Somerset	-12%	-9%	3%
North Tyneside	-12%	N/a	N/a
North Yorkshire	-14%	N/a	N/a
Northamptonshire	-12%	-13%	-1%
Northumberland	-12%	N/a	N/a
Nottingham	-11%	-33%	-22%
Nottinghamshire	-13%	-45%	-32%
Oldham	-10%	N/a	N/a
Oxfordshire	-14%	N/a	N/a
Peterborough	-10%	N/a	N/a
Plymouth	-9%	-0%	9%
Poole	-12%	-16%	-4%
Portsmouth	-11%	N/a	N/a
Reading	-13%	N/a	N/a
Redbridge	-9%	-9%	0%
Redcar & Cleveland	-11%	N/a	N/a
Richmond upon Thames	-14%	N/a	N/a
Rochdale	-12%	-44%	-32%
Rotherham	-12%	N/a	N/a
Rutland	-14%	N/a	N/a
Salford	-11%	-15%	-4%
Sandwell	-9%	-10%	-1%
Sefton	-12%	N/a	N/a
Sheffield	-12%	-12%	0%
Shropshire	-12%	N/a	N/a

Slough	-11%	-18%	-7%
Solihull	-14%	N/a	N/a
Somerset	-11%	-18%	-7%
South Gloucestershire	-13%	-10%	3%
South Tyneside	-8%	N/a	N/a
Southampton	-10%	N/a	N/a
Southend on Sea	-11%	-11%	1%
Southwark	-11%	-15%	-4%
St Helens	-11%	-23%	-11%
Staffordshire	-13%	N/a	N/a
Stockport	-13%	-3%	10%
Stockton on Tees	-12%	N/a	N/a
Stoke on Trent	-9%	-10%	-1%
Suffolk	-13%	-32%	-19%
Sunderland	-11%	N/a	N/a
Surrey	-14%	-10%	4%
Sutton	-13%	N/a	N/a
Swindon	-12%	-12%	0%
Tameside	-11%	-8%	3%
Telford & Wrekin	-11%	-5%	6%
Thurrock	-9%	N/a	N/a
Torbay	-11%	N/a	N/a
Tower Hamlets	-10%	-4%	6%
Trafford	-13%	-9%	5%
Wakefield	-12%	0%	12%
Walsall	-10%	0%	10%
Waltham Forest	-10%	-25%	-15%
Wandsworth	-11%	N/a	N/a
Warrington	-13%	N/a	N/a
Warwickshire	-13%	-5%	8%
West Berkshire	-14%	N/a	N/a
West Sussex	-14%	N/a	N/a
Westminster	-11%	N/a	N/a
Wigan	-11%	-3%	8%
Wiltshire	-14%	-5%	9%
Windsor & Maidenhead	-14%	N/a	N/a
Wirral	-12%	N/a	N/a
Wokingham	-14%	-1%	14%
Wolverhampton	-10%	-3%	7%
Worcestershire	-14%	N/a	N/a
York	-13%	-13%	0%

ABOUT US

Homeless Link is a national charity supporting a network of over 500 organisations working directly with homeless people in England, and represents the homelessness sector among local, regional and national Government. As the national hub for information and debate on homelessness, Homeless Link seeks to improve services for vulnerable people and to advocate policy change that will end homelessness in England.

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ⁱ 152 local authorities administer Supporting People funding across England, and a number are yet to confirm their spend for next year.

ⁱⁱ All percentages have been rounded to whole numbers.

ⁱⁱⁱ The Supporting People programme funds accommodation-based services supporting homeless people, and services which help individuals with learning disabilities and mental health issues to live independently in their own homes and participate in the community.