

Breaking the cycle:

A homelessness funding system that works for all

The Comprehensive Spending Review and homelessness

Homelessness can disrupt all aspects of a person's life: family and relationships, health and wellbeing, education, employment opportunities and much more.

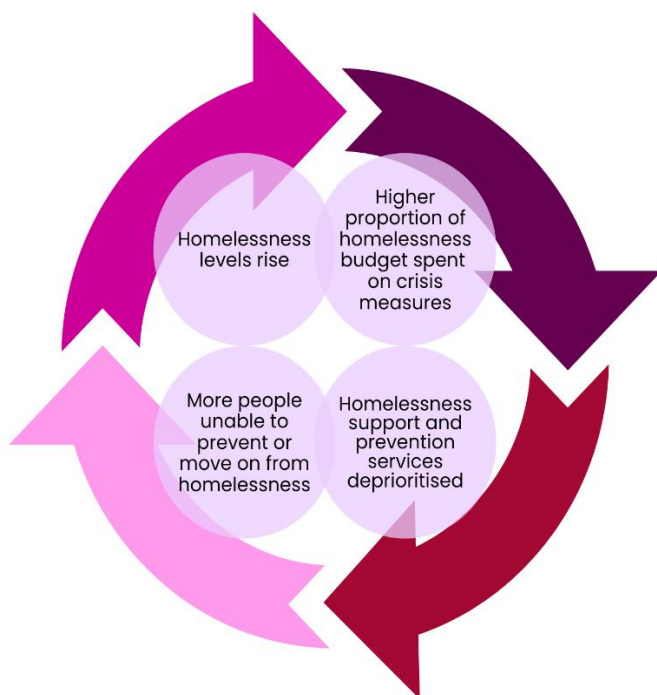
The solution isn't necessarily more funding – but there will be no solution without a better funding model. Currently, funding focuses on short-term crisis management. This has been a failure, both in terms of results and value-for-money, with both rates of homelessness and government spending rising steadily.

To break the cycle of crisis, we need to flip the focus on to longer-term solutions that centre prevention and cross-government work. The upcoming Comprehensive Spending Review and Homelessness Strategy are opportunities to reform the funding model to make this happen.

Make the case for homelessness services in your constituency. Contact us for details of local homelessness services and statistics: Stefan.Donnelly@homelesslink.org.uk

The cycle we need to break

Rising homelessness levels have led to funding focused on expensive options that do not offer a long-term solutions, such as temporary accommodation and other emergency measures.



Funding for preventing homelessness has consequently been squeezed, as has funding for support services that empower people to move on from homelessness.

This creates a vicious cycle. More people are forced into emergency accommodation, and are forced to stay there far too long.

Demand for emergency accommodation then rises, putting further pressure on funding for the prevention and support services that offer sustainable, long-term solutions.

Supported housing exemplifies this pressure. Without consistent funding, it

has become reliant on Enhanced Housing Benefit (EHB). With regulatory loopholes inadvertently welcoming in rogue exempt providers, costs for the Department of Work and Pensions have spiralled.

The end result is more people losing their homes, facing homelessness for longer, and costing the Government more to support.

Want to find out more? Read our 'Break the Cycle' report. Email Stefan.Donnelly@homelesslink.org.uk for more details.

Break the cycle: Gain control of homelessness spending

The National Audit Office has calculated total Local Authority spend on homelessness at £2.44bn. But this excludes Enhanced Housing Benefit (EHB) costs. Regulatory loopholes allowing exploitation of EHB by rogue providers make this a substantial omission and the 2022 'Exempt Accommodation' Select Committee Inquiry concluded that Government **has been unable to calculate the total current spend on homelessness**.

Funding systems inefficiencies such as this are undermining the excellent work of local authorities and the voluntary sector in delivering frontline homelessness services.

A reset of the homelessness funding system is an opportunity to root out these inefficiencies, take control of costs and back services that work to prevent and end homelessness for all.

8 principles for an effective funding system

"To fully recover from homelessness, you need to feel safe and like you truly belong where you stay. [But] There's a lot of staff shortages, which means tailored support isn't being given - a one-size-fits-all approach simply doesn't work." **Mila Mihaylov, expert by experience**

Building a funding system that empowers services to reduce homelessness will require new ideas, leaning on the expertise embedded in frontline services and a test-and-learn approach.

These principles should guide our efforts to reset the homelessness funding system.

1: Prevention - The Golden Thread: All homelessness funding reforms must hold homelessness prevention at the core. Prevention is the best outcome for people, and reduces costs across the system.

2: Ring-fenced: One ring-fenced government budget to address single adult homelessness, with funding rebalanced to provision of high-quality support.

3: Long term: Long-term funding settlements, combined with a long-term strategy to tackle homelessness.

4: Cross-departmental: Collaborative funding driving collaborative working, addressing the root causes of homelessness.

5: Joined-up: Funding that follows people, with local services working together to achieve the best outcome for people at risk of and affected by homelessness.

6: Comprehensive: Commissioners resourced to pay for the high-quality services and staff required to end homelessness.

7: Personalised: Embracing a variety of specialist solutions to offer appropriate services to the wide variety of people affected by homelessness.

8: Trauma-informed: All services have resource and capacity to deliver services in a way that recognising the trauma that may cause, or be caused by, homelessness.

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