

# Homeless Link submission to Comprehensive Spending Review

February 2025

## 1. Introduction

- 1.1. Homeless Link are pleased to provide our submission to Phase 2 of the 2025 Comprehensive Spending Review and welcome the opportunity to work with the Treasury and wider government to deliver on our shared goal to get back on track to ending homelessness.
- 1.2. We were very pleased to see homelessness services included in the two-phase spending review process, prioritised as part of Treasury's commitment to reform the public sector. The wider shift to simplify funding streams across multi-year settlements, move away from competitive tendering and deliver a more preventative approach align closely with what the homelessness sector has called for.
- 1.3. But, as an essential service and in the face of rising homelessness, it is vital that this reform is delivered carefully and with due consideration of the challenging environment providers have been working in for years.
- 1.4. The homelessness system delivers amazing work every day to support some of the most vulnerable members of our community. But the current system of funding to enable this work undermines these efforts, threatening the sustainability of services and diverting resources away from support. The complicated and patchwork funding network means it is not possible to ascertain value for money, and there is no quantified value to the current level of spending. However this also presents opportunity for transformative change in the way that the homelessness system is funded, and given it is currently so fragmented **this does not necessarily mean spending more, but spending better.**
- 1.5. Homelessness support providers are needed now more than ever. All forms of homelessness are rising, with record numbers of people living in temporary accommodation and rough sleeping rising at its fastest rate since 2015. But the services designed to support people are themselves in crisis, chasing short-term and insufficient funds with no ability to plan strategically into the next financial year. This combination of pressures has left the system on the brink of collapse.
- 1.6. The Government have already shown investment in preventing and ending homelessness in the upcoming financial year with its announcement of nearly £1 billion for homelessness services, including increases in the Homelessness Prevention Grant, unifying funding for single homelessness under the Rough Sleeping Prevention and Recovery

Grant as well as a welcome £20 million in additional funding for winter pressures. But in combination with cost increases caused by National Insurance and years of historic underfunding, and lack of investment or strategy in prevention activity, services remain in dire need of change.

- 1.7. This submission lays out that change. It begins with an exploration of the larger-scale measures Treasury can take to prevent homelessness upstream, followed by a breakdown of the changes from across government departments that can reduce homelessness with Treasury support.
- 1.8. The final section of the submission breaks down the current situation of homelessness providers, how political decisions caused such a complex and inefficient system, before outlining the essential principles of a funding system that works.
- 1.9. **Treasury's commitment to reform homelessness funding has come at a time when change is sorely needed. Labour governments have a proud history of delivering fundamental and transformative change that has significantly reduced homelessness nationally. This government can do the same, and Treasury are instrumental in making this possible.**
- 1.10. Overall, we ask Treasury to:
  - Undertake a systematic review of all homelessness-related spending across government including the currently unknown spend on enhanced Housing Benefit to inform a new funding model aligned with a strategic approach rooted in key principles and based on prevention and support.
  - Develop and deliver a consolidated, long-term, ring-fenced homelessness funding system from 2026/27 onwards.
  - Introduce an exemption, rebate or relief for the homelessness sector to cover the additional costs of increased National Insurance contributions
  - Require local authorities, MHCLG and other government grants to provide uplifts to continued or new contracts that recognise inflationary increases including the cost of increased National Insurance contributions

## Homeless Link

- Unfreeze Local Housing Allowance from April 2025 to ensure this remains in line with at least the lowest 30% of market rents.
- End the benefit cap, or at the very least ensure it is uplifted in line with LHA rates, to prevent families in high-cost areas from seeing no benefit from LHA uplifts and remaining at increased risk of homelessness.
- Commit to a ten-year investment plan with clear targets to realise the 90,000 social rented homes that England needs per year to meet the backlog of need.
- End welfare practices which discriminate against young people living away from family, including equalising benefits across age groups and ending the shared accommodation rate.
- Ensure people in supported housing do not become worse off when they work by creating parity in the taper rates between Housing Benefit and Universal Credit housing elements, with both at a taper rate of 55%, as well as increasing the Housing Benefit disregard to ensure people are not worse off in work.
- Fund the DWP to roll out employment and volunteering programmes for people who have experienced homelessness.
- Minimise excess homelessness amongst at risk groups including newly recognised refugees, care leavers, veterans and early release prisoners through allocation of targeted funding including through long-term and sufficient resourcing of Op FORTITUDE, CAS-3 accommodation, and enabling a minimum level of suitable emergency accommodation provision, regardless of immigration status.
- Ensure DHSC has sufficient funding and directive to integrate the recommendations of the NICE guidelines on integrated health and social care for people experiencing homelessness
- Protect those experiencing the most extremes forms of homelessness and multiple disadvantage through allocating the estimated £150.3 million per annum required to fund a national Housing First programme at scale.

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## 2. Immediate considerations to secure the homelessness system

2.1. While this report outlines the fundamental reforms required to deliver a system that works in the long term, there are a number of existing or growing threats to the sector which government must respond to now so that services are not forced to close at a time when they are needed most.

### National insurance

2.2. It is welcome that the Government has confirmed a transitional funding rollover for 2025/26. For single homelessness services, many of whom are supporting rough sleepers, people experiencing the worst and most hidden forms of homelessness, and often those who are not eligible for priority need, confirming the breakdown of the £233m announced in the budget with rationalised funding streams allocated based on need, while it works on longer term reform of the homelessness funding system from 2026/27 onward was much needed. It is essential that the Government takes the time to get this right and we recognise and support the need for a transitional approach in order to do so.

2.3. Other measures announced in the Budget were more challenging however, most notably the proposal to increase employer National Insurance rates. In the immediate term, this is compounding the issue of years of underfunding and poses an immediate threat to the viability of already-struggling homelessness services.

2.4. We estimate that the NI changes alone could take between £50 and £60m out of the homelessness sector and away from the delivery of frontline services. Homelessness charities do not function as profit-making businesses and cannot adapt to increased costs by putting up prices or recovering elsewhere. Instead, the increase in National Insurance must be accounted for by cutting costs elsewhere.

- 2.5. Without an exemption, rebate or relief for the homelessness sector to cover the additional costs of National Insurance, we will see imminent closures and loss of further bed spaces and support. This would seriously undermine the Government's commendable longer-term effort to develop a cross-departmental Homelessness Strategy and deliver a new funding system. At the very least, Ministers must require MHCLG and local authorities to cover the increased costs to homelessness services delivering contracts on behalf of the public sector.
- 2.6. Without this additional funding, charities will struggle to stay afloat as demand for their services continues to grow.

### **Prevent further decommissioning**

- 2.7. For many local authorities, the rise in costs associated with meeting statutory homelessness duties has pushed them to the edge of bankruptcy. Many are scaling back support in other areas to cover the cost of temporary accommodation, including services for non-statutory homelessness. This squeeze has led a growing number of homelessness services focused on 'single homelessness' to see commissioned contracts cut or their services decommissioned altogether as local authorities focus resources on meeting their legal duties.
- 2.8. These cuts have reduced activity across homelessness prevention, rough sleeping outreach, and supported accommodation. Some areas have ceased or propose to cease contracts for non-statutory homelessness services altogether.<sup>1,2</sup> This means quality services closing down, hundreds of beds removed from the sector, and few alternative options for those who rely on services for support and accommodation.
- 2.9. **While moves to reform sector funding are welcome, these decommissioning measures are already underway and mean impacted services cannot wait until 2026 to benefit from support.**

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<sup>1</sup> Kent County Council (2022). *Record of Decision: Kent Homeless Connect: Termination of Service*. Decision no. 22/00075. Available at: <https://letstalk.kent.gov.uk/kent-homeless-connect-consultation>

<sup>2</sup> Booth, R. (2024). *Planned cuts to shelters in England will cost lives, say homeless people*. The Guardian. 24<sup>th</sup> May 2024.

Examples of this can be seen around the country including in [Devon](#), [Hampshire](#), [Leicestershire](#) and [Newcastle](#).

- 2.10. Treasury must act now to prevent further closures caused by budget shortfalls, securing existing homelessness provisions at the time when they are needed most. This includes working with MHCLG to mandate local authorities to protect critical support services, and ensuring they are resourced efficiently to do so.

### **Protect non-statutory homelessness provisions**

- 2.11. Homelessness services have suffered from years of patchwork funding delivered with insufficient strategy or oversight from central government. We are therefore pleased to see Treasury recognise the need to simplify structures and consolidate grants delivered to local government as part of a wider picture of funding reforms.
- 2.12. It is crucial, however, that this move towards consolidation does not come with unintended consequences. Funding for homelessness services – and specifically funding for services supporting single adults and those with high levels of support need – must be protected within local government finance settlements.
- 2.13. We have seen the negative consequences of non-ringfenced budgets play out already following the removal of the Supporting People ringfence in 2009. Without directive from central government to protect funding for adults at risk of homelessness, spending on support dropped by 50% between 2009-2018.<sup>3</sup> Similarly, the pressure to meet statutory homelessness duties has seen funds redirected away from single homelessness support.
- 2.14. There is significant risk that simplified local government funding could inadvertently create a spending loophole that allows local authorities to divert funding away from essential services such as supported housing or wider homelessness support. Whilst this may present short term savings it only drives up costs overall as the impact of not supporting people experiencing homelessness and rough sleeping leads to significantly

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<sup>3</sup> Thunder, J and Bovill Rose, C. (2019) *Local authority spending on homelessness: understanding recent trends and their impact*. WPI Economics, St Mungo's and Homeless Link.

poorer health outcomes driving up costs across the health care services, and can also lead to increased offending behaviour driving costs to the justice system. This is on top of the increased trauma impacting individuals which has a long term legacy, effecting physical and mental health, and meaning people are driven further away from being able to establish fulfilled, stable, economically active lives.

- 2.15. Over-generalisation of funding streams also places important, evidence-based but initially high-cost interventions such as Housing First at risk. Without directive, some local authorities are likely to spend allocations on interventions that, while initially appearing lower cost, offer worse quality and value for money

### **3. Preventing and ending homelessness**

**Turning off the taps: Prevent and end avoidable homelessness by ensuring there is sufficient supply of affordable housing.**

- 3.1. We are living through a housing crisis. There is a significant shortage of safe, affordable housing across England. This shortage is most concentrated for those on the lowest incomes. For many, this makes homelessness almost inevitable.
- 3.2. The shortage of truly affordable housing across the country also traps people in homelessness. Those who lose their homes due to affordability are often unable to secure new housing as their income continues to fall short of rent, and for many people in temporary or supported accommodation lack of affordable housing leaves them trapped in homelessness unable to move on from costly, unsuitable accommodation.
- 3.3. The trauma of homelessness resounds through lives, causing ill-health and worsening support needs. The longer someone remains homeless the greater the negative impacts. Homelessness can be prevented and ended, but for this to happen permanent, stable housing must be available to all.

#### **A new generation of social homes**



- 3.4. For those on low incomes, social housing is often the only appropriate and sustainable housing solution long-term. High costs, poor quality and high levels of insecurity mean that the private rental sector (PRS) can perpetuate, rather than relieve, homelessness. A social home offers the security, quality and affordability required to guarantee people can leave homelessness behind for good.
- 3.5. Social housing should therefore be available to everyone who needs it. Our members are consistently restrained by the lack of permanent homes to move people into, with tenants trapped in temporary accommodation for much longer than necessary and coming back into homelessness services when inappropriate and insecure PRS tenancies end. The cost of delivering this has overwhelmed local authorities. It can't remain this way – it is in everyone's interest to find lasting solutions through a new generation of social homes.
- 3.6. Homeless Link welcomes the Government's announced commitments to increasing housing supply and delivering planning reforms. We welcome the Government's plans for the Planning and Infrastructure Bill, in addition to increased housing investment with the ambition of building 1.5 million homes over this Parliament, plus the new 5-year social housing rent settlement and reductions to Right to Buy discounts. These measures demonstrate the Government's commitment to this agenda.
- 3.7. However, these reforms alone will not ensure the delivery of the scale of social homes needed to address the housing shortage and to mitigate the shortfall in the system. We also need to see the funding and targets to drive forward the increased supply in social and truly affordable housing.
- 3.8. Government must account for this through investment in building 90,000 new social homes each year for the next 10 years, ensuring there are sufficient social homes for all those who need them.<sup>4</sup>

### **A private renting system that prevents homelessness.**

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<sup>4</sup> Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation.

- 3.9. Social housing is the answer to resolving homelessness at scale, but reinvesting in this is not a quick fix. In the meantime, the Government must therefore ensure that the PRS meets the needs of people with low incomes, ensuring they are not priced out in the face of rising rents.
- 3.10. For low earners, the PRS can be almost unmanageable. The sector has seen steep price rises compared to average incomes, with costs rising 6.6% in the 12 months to June 2024.<sup>5</sup> Welfare has failed to keep pace with this, as Local Housing Allowance (LHA) rates lag behind inflation and are due to be frozen again for 2025/26.
- 3.11. The insecurity of the PRS places those on low incomes at disproportionate risk of homelessness: the provisional statutory figures for 2023/24 show that 79,500 households were owed a statutory homelessness duty following loss of a PRS tenancy compared to 11,360 households from social housing. This is worsened by the continued risk of Section 21 'no-fault' evictions with a 25% increase in households being made homeless because of a Section 21 eviction in the last five years.<sup>6</sup>
- 3.12. For young renters, restrictions are even more severe. The Shared Accommodation Rate (SAR) of LHA means that most renters under 35 can only claim benefit for the cost of a room in a shared house.<sup>7</sup> These rates often fall well below the actual cost of renting. While some who have been in care or hostel accommodation are exempt from these rates, exemptions are haphazard; care leavers only benefit from exemptions between the ages of 18-21, and hostel leavers must be 25 before they qualify for exemptions and beds are blocked in young person's hostels as residents are forced to wait until 25 to qualify for the one-bedroom rate.<sup>8</sup>
- 3.13. The measures on reform to the private rented sector in the Renters Rights Bill currently progressing through Parliament, including ending no fault evictions and an ability to challenge rent increases, are very

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<sup>5</sup> Donnell, R. (2024). *Rental Market Report: June 2024*. Zoopla.

<sup>6</sup> DLUHC (2024). *Statutory Homelessness live tables*. 30th April 2024.

<sup>7</sup> Hobson, F. (2022). *Housing Benefit: Shared Accommodation Rate*. House of Commons Library.

<sup>8</sup> Centrepont (2023). *Exempting homeless young people and care leavers from the Shared Accommodation Rate*.

welcome, but to ensure homelessness is prevented wherever possible, government should commit to improving the affordability and security in the PRS by permanently unfreezing LHA and ending, or at the very least uplifting, the benefit cap.

3.14. We understand the government's reluctance to increase the amount of public money going to private landlords, and that they chose not to go ahead with unfreezing LHA at the October 2024 budget in favour of other uplifts to homelessness funding. However, the Government must reconsider if it wishes to see the numbers of people experiencing homelessness reduce, or even stabilise, in the next few years. There is an immediate crisis which must be tackled while the government's laudable longer term aims, such as the development of the Homelessness Strategy and increasing the supply of social housing, are given time to take effect. In order to unlock the private rented sector to help prevent and end homelessness the government must:

- Unfreeze Local Housing Allowance in line with the lowest 30% of market rents.
- End the benefit cap, or at the very least ensure it is uplifted in line with LHA rates, to prevent families in high-cost areas from seeing no benefit from LHA uplifts and remaining at increased risk of homelessness.
- End welfare practices which discriminate against young people living away from family, including equalising benefits across age groups and ending the shared accommodation rate.

### Cross-departmental measures to tackle homelessness

3.15. It is well known that currently, the policies of other Government departments can actively undermine efforts to tackle homelessness. We welcome the Government's involvement of Ministers from a range of departments including Health, Justice, Home Office, Education, MoJ and DWP in the inter-Ministerial taskforce overseeing the development of the new Homelessness Strategy. There are a number of actions that departments outside of MHCLG, with Treasury backing, must take in order to better prevent and end homelessness.

### Department for Health and Social Care

- 3.16. The development of the NHS 10-year plan should be closely integrated with the new Homelessness Strategy and must adequately reflect the needs of people experiencing homelessness and other inclusion health groups.
- 3.17. Treasury must ensure DHSC has sufficient funding and directive to integrate the recommendations of the NICE guidelines on integrated health and social care for people experiencing homelessness at all levels of the healthcare system, including funding for specialist healthcare settings ensuring everybody experiencing homelessness has access to high-quality specialist care.

### Home Office

- 3.18. People with restricted eligibility due to their immigration status and subject to No Recourse to Public Funds (NRPF) face unique challenges and barriers that trap them in destitution, and which make it almost impossible to move on from homelessness and rough sleeping. As well as being morally wrong, this ends up costing the Government more in the longer term, as people's health and wellbeing deteriorates and they are trapped in a cycle of accessing crisis services. An independent social cost benefit analysis of NRPF in London found that, over 10 years, removing the NRPF restriction for all households on the relevant visas would result in a £428 million net gain.<sup>9</sup>
- 3.19. The Government must recognise and address the impact that restrictions on public funds have on homelessness and the unintended consequences for the taxpayer. We recommend:
- Reviewing and monitoring all immigration-based restrictions on public funds to mitigate their role in driving homelessness.
  - Clarifying the legal powers and expectations on local authorities to accommodate and support migrants with restricted eligibility to public funds

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<sup>9</sup> 'Social Cost Benefit Analysis of the no recourse to public funds (NRPF) policy in London', [Benton, E., Karlsson, J., Pinter, I., Provan, B., Scanlon, K., and Whitehead, C. LSE: 2022.](#)

- Ensuring sufficient funding from central Government to allow local authorities to ensure a minimum level of suitable accommodation provision, regardless of immigration status.
- Making the 56-day move-on period a permanent feature of the asylum system and extending this to all people leaving asylum accommodation, including those refused asylum, who currently have a 21-day move-on period, and those who have had their asylum claims withdrawn.
- The Government should also expand access to quality legal advice, improving access to free immigration and welfare benefits advice, by funding and promoting the expansion of embedded advice provision in homelessness and homelessness prevention settings and restoring legal aid for early legal advice to pre-Legal Aid, Sentencing and Punishment of Offenders Act 2012 levels for immigration, welfare benefits and housing law committing to wider reform of the legal aid system, to end the existence of immigration and asylum legal aid deserts and ensure advice is available to anyone who needs it.

### **Department for Work and Pensions**

- 3.20. Employment and volunteering programmes for people who are experiencing or have experienced homelessness are an important way of supporting people to rebuild their lives, helping to reduce levels of homelessness over time. Cost-cutting measures and the UK's departure from the EU means that many such programmes have since ceased, leaving a significant gap in support for people experiencing homelessness. As part of the future Homelessness Strategy, the Government should fund the DWP to roll out employment and volunteering programmes for people who have experienced homelessness.
- 3.21. DWP also play an important role in delivering housing-related benefits both via Housing Benefit and Universal Credit, which offer enormous protective support for people experiencing homelessness and the services that support them. However, for people living in supported housing, the steep taper rate of housing-related benefits can unintentionally disincentivise work.

- 3.22. Taper rates from entering employment can see housing-related benefits reduce significantly or stop altogether. For people living in supported housing, this can be disastrous: such provisions are typically costed well above market rents to account for the increased cost of delivering support, in line with exempt accommodation regulations. Tapering housing-related benefits can see people met with rents they could not be reasonably expected to afford. Too often, this means people left to choose between quitting their job or facing eviction – preventing people from moving forward in life and isolating them from the labour market.
- 3.23. To ensure people in supported housing do not become worse off when they work more, the Government should ensure there is parity in the taper rates between Housing Benefit and Universal Credit housing elements, with both at a taper rate of 55%, as well as increasing the Housing Benefit disregard to ensure people are not worse off in work.

### **Ministry of Justice**

- 3.24. Homelessness and the criminal justice system are deeply connected. Experience of homelessness can increase a person's risk of offending: offending can be driven by trying to fulfil basic survival needs, illegal income generation including through sex working and drug dealing, or looking to being taken into custody as a resolution to acute homelessness. Spending time in prison can increase a person's risk of homelessness upon release, which in turn increases the likelihood of reoffending.
- 3.25. To reduce the risk of reoffending due to being released into homelessness Moj must be resourced to provide appropriate supported accommodation options including increasing the capacity of CAS-3, enabling more long-term support to allow people time to find sustainable housing and increasing provision of gender specific support for female offenders.

### **Ministry of Defence**

- 3.26. People leaving the armed services are at a higher risk factor of experiencing homelessness than other populations. Targeted strategy

and investment has enabled the number of veterans experiencing homelessness to decline significantly but there are still too many facing the trauma of homelessness. Ensuring the resource to continue veteran supported housing schemes via Op FORTITUDE or other means post July 2026.

- 3.27. Alongside this MoD must be resourced and accountability to working with MHCLG on delivering a veterans roadmap and strategy with a focus on the role MoD has in homelessness prevention.

### **End homelessness for people experiencing severe and multiple disadvantage by investing in Housing First as an evidence-based, value for money intervention.**

- 3.28. The trauma of long-term homelessness, poverty and social exclusion means there is a small but significant cohort of people whose needs consistently go unmet by traditional homelessness services. These individuals typically have significantly worse physical and mental health compared to not only the general public but also other people experiencing homelessness. Their lives are often marked by cycles of rough sleeping, temporary accommodation, prison stays and hospital admissions, all while their health and social care needs worsen.<sup>10</sup> For these individuals, Housing First support can help break the cycle of repeat homelessness, acting as a transformative and often lifesaving intervention.<sup>11</sup>
- 3.29. The strong base of evidence for success in Housing First has seen it adopted widely across the USA, Canada, Denmark, Finland, France and Scotland. In England, the programme has grown in popularity since 2010, with projects across the country. It is increasingly recognised as a crucial and cost-effective way to end repeat homelessness, reduce offending behaviour and improve health needs where other services have been ineffective in doing so.
- 3.30. In 2017, Government made a ground-breaking £28 million investment<sup>12</sup> to establish three scaled regional Housing First pilots in Liverpool, the

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<sup>10</sup> Abdul Aziz, S and Boobis, S (2024) *More Than a Roof: Exploring the holistic outcomes of Housing First*. Homeless Link.

<sup>11</sup> Making Every Adult Matter (2021). *Building on Success: A strategy for the MEAM coalition 2021-2025*.

<sup>12</sup> HM Treasury (2017). *Autumn Budget 2017*. 22<sup>nd</sup> November 2017.

West Midlands and Greater Manchester. Outcomes from these pilots show their effectiveness in ending homelessness for people with high support needs. MHCLG's third pilot evaluation report shows a 78% tenancy sustainment rate<sup>13</sup> – far surpassing sustainment rates of other support models and proving the effectiveness of Housing First.

- 3.31. However despite the significant outcomes achieved by the Housing First pilots the funding environment means the programme now faces an uncertain future. We welcomed the Government's move in December 2024 to give a one-year funding rollover to the homelessness sector but with rationalised funding streams allocated on need and removing the element of competitive bidding. However, recent indications from the Government as to what this means for Housing First delivery, such as evidence given by the Homelessness Minister and the MHCLG's Director of Homelessness and Rough Sleeping to the MHCLG Select Committee on 21<sup>st</sup> January 2025, suggests that it is a matter for local authorities to decide whether to deliver or continue delivering Housing First, based on the flexibility of the funding they will receive in 2025/26.
- 3.32. With so many local authorities severely overstretched and on the brink of financial collapse, we are concerned that few would consider making the upfront investment to begin newly delivering Housing First. There is also a risk that those currently delivering it may choose to scale back or cease, diverting the money away to address other emergency financial pressures relating to homelessness. Given its effectiveness, and the depth and scale of need, it is not sufficient to leave the delivery of Housing First up to chance. The Government must issue a much clearer directive for those currently delivering Housing First to continue to do so with part of the homelessness funding allocated for 2025/26.
- 3.33. Housing First shows people with histories of complex trauma and instability building a sense of home, agency and self-worth. The recovery effect of Housing First goes well beyond just physical recovery – with residents showing emotional recovery, increased resilience and an improved quality of life, accessible because of the support of the scheme.
- 3.34. The benefits of Housing First are spread across Government departments, and CSJ estimate that every £1 invested in Housing First delivers £1.56 in savings across health, criminal justice and the

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<sup>13</sup> DLUHC (2022). *Evaluation of the Housing First Pilots: Third Process Report*. September 2022.



homelessness system.<sup>14</sup> Yet despite the enormous benefits that Housing First delivers to the justice system or health and social care, very few projects receive funding from these sources.<sup>15</sup>

- 3.35. Cross-departmental commissioning would strengthen and share the financial benefits of Housing First, recognising the significant role it can play in reducing pressure on public services by providing sustained support to those experiencing multiple disadvantage.
- 3.36. Housing First works: both as an effective approach to reducing homelessness and improving health and social care outcomes but also as a cost effective intervention to reduce pressures on housing, health, social care, and criminal justice services.
- 3.37. If we don't commit to investing in Housing First as a well-evidenced and effective solution, we will fail to address the needs of some of the most disadvantage people in our society while neglecting to address the pressure that sustained homelessness places on other public services.
- 3.38. As part of the future homelessness funding system and Homelessness Strategy, the Government must account for this through allocating the estimated £150.3 million per annum required to fund Housing First at scale, embedding the development and delivery of a national Housing First programme as a key priority with cross-department accountability.

## **4.Reform funding to deliver effective homelessness support.**

- 4.1. Ending homelessness and rough sleeping hinges on both sufficient supply of appropriate, affordable accommodation alongside the capacity of services to deliver high-quality, sustainable support to those who need it. Evidence has repeatedly shown that access to the right support plays a critical role in pathways out of homelessness for people with severe and multiple disadvantage. With political will and strategic investment, there is no reason why anyone should experience homelessness in England.

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<sup>14</sup> Centre for Social Justice. (2021). *Delivering a National Housing First Programme in England*.

<sup>15</sup> Rice, B. (2018). *Investigating the Current and Future Funding of Housing First in England*. Homeless Link.

- 4.2. Treasury's commitment to reform homelessness funding has come at a time when change is sorely needed. Labour governments have a proud history of delivering fundamental and transformative change that has significantly reduced homelessness nationally. This government can do the same, and Treasury are instrumental in making this possible.
- 4.3. The homelessness system spans a huge range of services, working across homelessness prevention, relief and holistic support. These services are often the last line of defence for some of the country's most vulnerable residents. But the system overall is at once hugely expensive and insufficient, having been subject to severe cuts and funded in a patchwork manner that can trap people in homelessness for longer and leave some without any access to support at all.
- 4.4. Homelessness services can act as a lifeline for those with few other options. But the current funding system for the homelessness sector undermines its ability to deliver high-quality support. Like many other essential services, the sector faces significant budget shortfalls. This has left providers unable to plan strategically for the future, hopping from crisis to crisis as service quality drops. Sadly, it is the people in need of support who bear the consequences of short-term, patchwork and insufficient funding.
- 4.5. The current funding system is inefficient and is not providing benefit to anyone: whether that be people experiencing homelessness, the services providing support, local or national government.
- 4.6. History shows us that things do not need to be this way. By building a clear picture of the current spend on homelessness, government can regain control of spending and strategically re-invest into support that works. Establishing secure, long-term and comprehensive funding will allow the whole system to plan strategically. Doing so will support a move away from cycles of crisis, allowing services to work more proactively and ultimately reduce the number of people pushed into homelessness in the first place.
- 4.7. To achieve this Government must commit to **undertaking a systematic review of all homelessness-related spending across government and develop and deliver a consolidated, long-term, ring-fenced homelessness funding system from 2026/27 onwards.**

- 4.8. Early indications from the government, outlined in the consultation on Funding arrangements for the Homelessness Prevention Grant from 2026/27 onwards, suggest that the current working assumption is that the Homelessness Prevention Grant will continue in 2026/27; the current intention is to continue directly allocating funding from 2026/27, and for further consolidation of rough sleeping grants with the HPG; and that consideration will be given to rolling all homelessness funding into a single grant and/or incorporating it into the local government finance settlement.
- 4.9. We would caution the government against believing that consolidating grants alone would be enough to fix the current funding system. For instance, this would do nothing to address the issues caused by the current over-reliance of much of the sector on enhanced housing benefit nor would it encourage the radical shift needed to push the homelessness system away from crisis driven intervention towards one built on prevention and support.
- 4.10. The direction of travel is however welcome, but time must be taken to deliver wider reforms based on the principles we have outlined below. We would also caution heavily against homelessness funding into wider funding for local government, for the reasons previously outlined. A ringfenced funding system has the best chance of preventing and ending homelessness.
- 4.11. This section outlines the key issues with the homelessness funding model and highlights the actions the new government should take to get back on track to ending homelessness. It is accompanied by a detailed<sup>16</sup> report outlining historic funding arrangements spanning from the 1997 election until the 2024 election, showing how Treasury decisions have had a direct impact on levels of homelessness in England, and how when considered alongside strategy and delivery huge strides to ending homelessness can be made.
- 4.12. Unless steps are taken to systematically review the funding needs of homelessness services, the system will continue to fail those it is designed to support.

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<sup>16</sup> Homeless Link (2024) *Breaking the cycle: Delivering a homelessness funding system that works for all*

### An outline of the homelessness system

- 4.13. The homelessness system in England is made up of a mix of statutory and non-statutory support services designed to prevent and end homelessness for families and individuals. There is a huge diversity of people who access homelessness support, ranging from those whose homelessness stems purely from a lack of affordability, through to people experiencing severe and multiple disadvantage who may have significant health and social care support needs.
- 4.14. Homeless Link primarily represent members working with adults experiencing single homelessness, the majority of whom do not qualify for statutory funding. Therefore, when we refer to 'the system', we primarily mean the system of non-statutory support for people experiencing single homelessness.
- 4.15. These services are often the last line of defence for people who have fallen through the gaps of other public services including mental health, social care, and the justice system. Services delivered within the homelessness system include: local authority Housing Options services; commissioned and non-commissioned accommodation including supported accommodation, hostels and emergency accommodation; tenancy sustainment services; rough sleeping outreach services, and specialist support interventions for associated support needs including mental and physical health, substance use, domestic abuse, education and employment.
- 4.16. Homelessness services are funded through a diverse and complex range of sources and it is important to recognise not all are typically acknowledged when attempting to quantify the true cost of homelessness. They have also been through significant and often disruptive change over the last twenty years.
- 4.17. The below charts sets out key funding announcements and changes for homelessness since 2009 when the Supporting People ringfence was removed.

## Funding announcements for single homelessness 2009-2023<sup>17</sup>

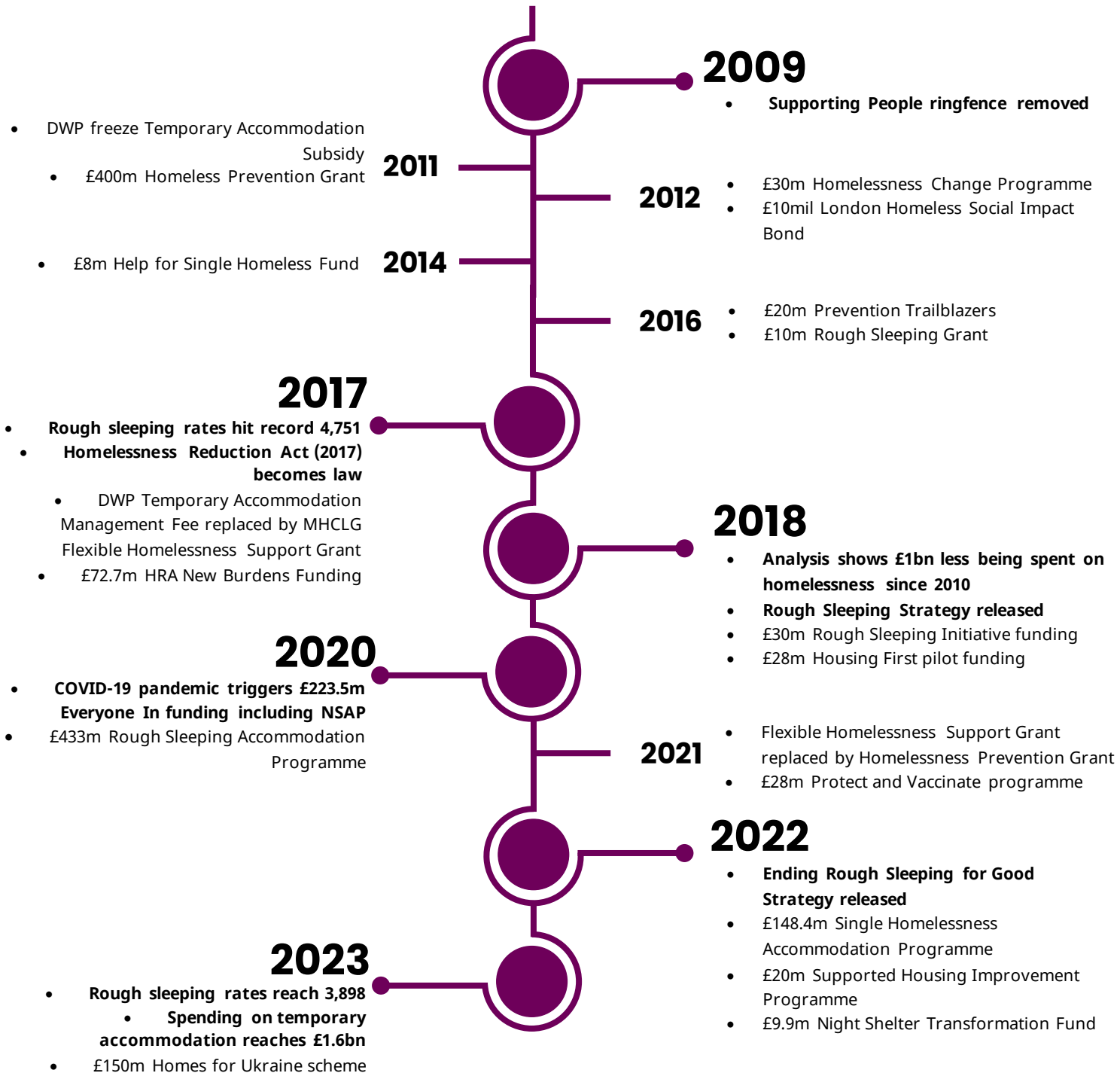


Figure 1: Funding announcements for single homelessness

<sup>17</sup> Figures reflect value at point of announcement. For up to date figures please see table 2.

- 4.18. Since the removal of the Supporting People ringfence in 2009, funding for single homelessness support was subject to significant and devastating cuts. Analysis from WPI Economics showed that, for this cohort, spending on support services fell by more than 50% between 2009-2018 - a drop entirely accounted for by cuts to services previously funded under Supporting People.<sup>18</sup>
- 4.19. In the years following the cut to Supporting People, rough sleeping rose significantly. Government introduced a number of funds during this time aimed at reducing homelessness (see figure 1). But despite some significant investment, the complex patchwork of funding combined with the lack of overall strategy or cohesion to deliver on ending homelessness meant providers worked with huge inefficiency and uncertainty.
- 4.20. The short-term approach to funding had significant negative impacts on the sector. The Rough Sleeping Initiative (RSI) funding, for example, formed a huge investment in delivering support for people sleeping rough. But funding was, until 2021, issued annually – an approach which was heavily criticised by both local authorities and VCS commissioned providers, who were often not told of new contracts until April or May of the new financial year. This forced services to cover costs in arrears based on anticipated funding and led to constantly disrupted services, support, and job insecurity. Local authorities and VCS partners were also forced to commit significant resource to annual bid development and tendering processes taking away limited capacity from frontline delivery.
- 4.21. Despite significant budget commitments over the last six years, including spend announced for 2025/26, the fragmentation of homelessness funding means there is an incoherence of strategic delivery, a lack of ability to tackle homelessness holistically due to siloed funding streams all running on different commissioning time frames, and as a consequence an often disjointed system that is reliant on proactive local leaders to drive change rather than being enabled by the system. This process we have been cycling through of introducing new targeted funding streams for priority areas, or at a point when a particular form of

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<sup>18</sup> Thunder, J and Bovill Rose, C. (2019) *Local authority spending on homelessness: understanding recent trends and their impact*. WPI Economics, St Mungo's and Homeless Link.

homelessness reaches crisis rather than looking at homelessness has created a crisis driven system that is deeply inefficient. Rather than being able to plan holistically and proactively services are instead stuck in a reactive mode addressing issues at a damage limitation point rather than a preventative one.

### Quantifying homelessness spend

- 4.22. Although the homelessness sector provides a vital service supporting some of the most destitute and vulnerable people in our society, the approach to funding the system has never been consistent. Services, both statutory and non-statutory, have seen huge changes in the models of funding, what funding is available for, the way in which funding is allocated, and funding timescales.
- 4.23. The current scheme of spending on homelessness is extremely complex. Funds have by and large been developed in response to crisis, rather than as part of a coordinated response to prevent and end homelessness. The system is therefore funded through a patchwork of different funding schemes, creating roadblocks when trying to quantify the current overall spend. The previous government announced their headline spend on homelessness and rough sleeping as £2.4 billion, including £1.2 billion Homelessness Prevention Grant funding, funding commitments laid out in the 'Ending Rough Sleeping for Good' strategy, and multiple subsequent 'top ups' and 'boosts'. However the precise figure currently being spent on relieving homelessness is not currently available. Many non-statutory 'exempt' supported accommodation services are funded through Enhanced Housing Benefit. While there is no accurate breakdown of current spending on exempt accommodation, estimates place this at around £1.9 billion of additional funding based on 2016 spending levels.<sup>19</sup> Further information on Enhanced Housing Benefit is set out below.
- 4.24. A recent report from the National Audit Office attempted to quantify spending on homelessness across government (see table 1).<sup>20</sup> In doing so, they showcased the complexity of current funding arrangements. Funding pots are varied, with different timelines, changeable values and

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<sup>19</sup> Davies, G (2022). Letter from the Comptroller and Auditor General to the Chair of the LUHC Select Committee. GF 1370 22, 27th July 2022. Available at:

<https://committees.parliament.uk/publications/28518/documents/172215/default/>

<sup>20</sup> National Audit Office (2024). The effectiveness of government in tackling homelessness. 23rd July 2024.

a lack of coordination or strategic oversight. The analysis found that funding was 'fragmented and generally short-term, inhibiting homelessness prevention work' and that DLUHC (now MHCLG) could not 'demonstrate that it is delivering optimal value for money from its efforts to tackle homelessness'. While NAO's report found £2.44bn was spent on homelessness services, this is exclusive of the unknown figure also spent on non-statutory exempt accommodation services, meaning the total figure is likely to be significantly higher.

*Table 1: Source National Audit Office (2024). The effectiveness of government in tackling homelessness. 23<sup>rd</sup> July 2024.*

Fund	Amount	Funding period	Department
<b>Funding specifically for homelessness/rough sleeping</b>			
<b>Homelessness Prevention Grant</b>	£432.2 million in 2023-24, £440.4 million in 2024-25	2023/24 to 2024/25	MHCLG
<b>Single Homelessness Accommodation Programme</b>	£255.7 million over 5 rounds	2023/24 to 2024/25	MHCLG
<b>Housing Benefit Temporary Accommodation Subsidy</b>	Variable	2017 to present	DWP
<b>Rough Sleeping Initiative</b>	£548 million	2022/23 to 2024/25	MHCLG
<b>Rough Sleeping Accommodation Programme</b>	£435 million	2021/22 to 2024/25	MHCLG
<b>Accommodation for Ex-Offenders Scheme</b>	£42 million	2021/22 to 2024/25	MHCLG
<b>General funds that can be used for homelessness</b>			
<b>Local Government Finance Settlement</b>	£59.7 billion in 2023/4, £64.7 billion in 2024/5.	2023/24 to 2024/25	MHCLG



<b>Household Support Fund</b>	£3.8 billion	2021/22 to 2024/25	DWP
<b>Homes for Ukraine Scheme</b>	£1.24 billion	2022/23 to 2023/24	MHCLG
<b>Local Authority Housing Fund</b>	£1.2 billion over 3 rounds	2022/23 to 2024/25	MHCLG
<b>Asylum Dispersal Grant</b>	£750 per asylum seeker in Home Office accommodation	2023/24	Home Office
<b>UK Resettlement Scheme</b>	Variable	2021/22 to 2026/27	Home Office
<b>Discretionary Housing Payments</b>	£100 million	2023/24	DWP

- 4.25. This has led to a complicated ecosystem that is now verging on collapse. Both local authority and VCSE providers are buckling under the strain of increased demand after years of insufficient funding.
- 4.26. **The current funding system has become so fragmented and inefficient that we don't necessarily need to spend more, but spend better. By undertaking a full systematic review of all homelessness spending across government, and understanding how funding had driven the current strategic and operational approach to homelessness we can identify more effective, models to better tackle homelessness.**

### **Exempt accommodation**

- 4.27. Often missing from considerations of the overall costs of the homelessness system is the spend made from DWP through the delivery of exempt accommodation – which currently makes up significant proportion of the homelessness supported accommodation provision. Exempt accommodation is a term used in Housing Benefit regulations which allows providers of supported housing to collect higher rates of Housing Benefit known as Enhanced Housing Benefit. Exempt status was established to support the activity of Housing Associations and VCSE

accommodation providers in recognition of the higher cost of managing supported housing and to account for Intensive Housing Management.<sup>21</sup>

- 4.28. Exempt status is primarily used by VCSE providers and Housing Associations including many of our members, and encompasses many high-quality services. For these, the ability to collect higher rents is often instrumental in their ability to deliver support and maintain financial viability. In recent years, however, an increasing number of bad actors have stepped into the sector to take advantage of the exempt accommodation loophole and the low level of scrutiny placed on providers.
- 4.29. Unscrupulous providers across the country have purchased properties and begun delivering non-commissioned 'supported' accommodation at 'excessive profits'.<sup>22</sup> Such providers will deliver limited to no support while collecting income directly from the Housing Benefit bill. The state and scale of low-quality exempt accommodation 'shocked and alarmed' the LUHC committee who described the system as 'a complete mess'.<sup>23</sup>
- 4.30. The LUHC committee inquiry into the cost of exempt accommodation reported the money spent on exempt accommodation was 'not readily available and to provide it would incur disproportionate cost'.<sup>24</sup> Best estimates placed the spend at around £1.9 billion based on 2016 spending levels – money which is not factored into any existing costings on homelessness spending.<sup>25</sup>

*"The SAR [Supported Accommodation Review in 2016] estimated that £2.15 billion was spent on 'specified accommodation' across Great Britain. No further breakdown was provided, but as 89% of people in specified accommodation are in exempt accommodation, it is probable that a significant proportion of this is spent on exempt accommodation."<sup>26</sup>*

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<sup>21</sup> Crisis (2021). *Crisis Policy Briefing: Tackling problems with exempt accommodation*. October 2021.

<sup>22</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

<sup>23</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

<sup>24</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

<sup>25</sup> Davies, G (2022). *Letter from the Comptroller and Auditor General to the Chair of the LUHC Select Committee*. GF 1370 22, 27<sup>th</sup> July 2022. Available at:

<https://committees.parliament.uk/publications/28518/documents/172215/default/>

4.31. What this means is that although the headline costs of homelessness spend by Treasury is currently £2.4billion this does not include the presumed billions being spent on Housing Benefit for exempt accommodation. DWP are not able to provide a figure of what is being spent at current, nor estimate what proportion of that money is spent on homelessness specific exempt accommodation, nor of which is on poor-quality provisions.<sup>27</sup>

### Temporary accommodation crisis

4.32. The rapid increase in households owed a main homelessness duty and the spiralling cost of delivering temporary accommodation has left local authorities on the brink of collapse. The number of households in temporary accommodation rose to 117,450 in April 2024, a 12.3% increase on the previous year and the highest number since records began.

4.33. Local authorities' spending capacity on temporary accommodation is further compromised by the means used to recover costs. Under the current system, local authorities pay upfront for temporary accommodation and reclaim the cost as a subsidy from the DWP. Reimbursement rates are laid out in legislation and are calculated based on the January 2011 LHA rate.

4.34. The freeze on subsidy rates at 2011 levels was set to control welfare expenditure. The significant inflation in rental costs since 2011 means that subsidy rates have fallen significantly behind actual costs. This gap is known as the 'Temporary Accommodation Subsidy loss'. Local authorities reported losing £204.5 million in 2022/23 because of the shortfall, with some spending up to half of their total net budget on temporary accommodation as a result.<sup>28</sup>

4.35. While temporary accommodation is a necessary measure in cases of emergency, its widespread use comes at huge cost to the wellbeing of

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<sup>26</sup> Davies, G (2022). *Letter from the Comptroller and Auditor General to the Chair of the LUHC Select Committee*. GF 1370 22, 27<sup>th</sup> July 2022. Available at: <https://committees.parliament.uk/publications/28518/documents/172215/default/>

<sup>27</sup> Davies, G (2022). *Letter from the Comptroller and Auditor General to the Chair of the LUHC Select Committee*. GF 1370 22, 27<sup>th</sup> July 2022. Available at: <https://committees.parliament.uk/publications/28518/documents/172215/default/>

<sup>28</sup> National Audit Office (2024). *The effectiveness of government in tackling homelessness*. 23<sup>rd</sup> July 2024.

those who live there. Conditions are often poor, with shared facilities, cramped rooms and no access to basic cooking or washing facilities.<sup>29</sup> The lack of permanent, affordable housing to move on into means people remain in temporary accommodation for long periods, often months or years.

- 4.36. This has resulted in a bed-blocking effect, as the number of beds being freed up by move-on falls short of the number of new people owed a main homelessness duty. This has led to councils' increased use of expensive and unsuitable B&B accommodation. The Local Government Association (LGA) found half of local authorities do not feel confident they will have 'enough funding to fulfil their legal duties' in 2024/25,<sup>30</sup> and the cost of temporary accommodation means one in five councils are 'very or fairly likely' to issue Section 114 notices in the near future<sup>31</sup>.

## 5. The impact on single homelessness

*"We have had to redefine the way we describe our services. The services themselves haven't changed – we are still trying to do the same things, house people safely and enable them to develop independence – but we have to describe ourselves doing more intensive housing management or supervision [...] there's less time for the type of support that used to be paid for by housing related support contracts. The emphasis should be on support rather than just the housing."*

- CEO, Homeless Link member organisation

- 5.1. The fifteen years since the removal of ringfencing on Government homelessness funding has seen support contracts slashed and has meant many accommodation providers have seen their primary source of income shift to Housing Benefit. Homeless Link members described the challenge of delivering effective homelessness support while working beneath Housing Benefit regulations as 'dancing on regulatory pinheads'.
- 5.2. As VCSE providers struggle to maintain standards beneath restricted funding, the sector has grown increasingly vulnerable to exploitation. Members report an increase in private, for-profit providers moving in to

<sup>29</sup> Garvie, D. et al. (2023). *Still Living in Limbo: Why the Use of Temporary Accommodation Must End*. Shelter.

<sup>30</sup> Local Government Association (2023). *Post-Autumn Statement Temperature Check*. November 2023.

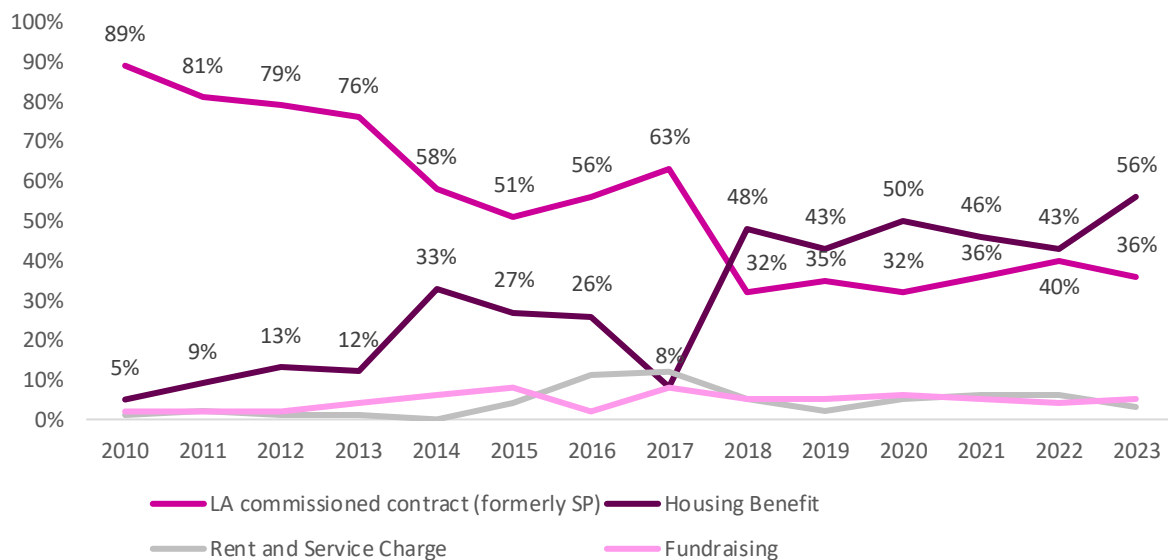
<sup>31</sup> Ibid.

deliver supported housing with little consideration of the quality or consistency of support.<sup>32</sup>

- 5.3. Overall, the picture is one of a traumatised system,<sup>33</sup> so deeply impacted by cuts and shortfalls that it is unable to meet its purpose in ending homelessness. Changes to funding systems means support has been forcibly deprioritised, with providers left to deliver 'intensive housing management' i.e. maintenance of property. The shift in focus had gutted providers' ability to deliver effective support and left numerous providers to describe their own services as 'inadequate'.

## Funding for accommodation providers

- 5.4. In our 2023 Annual Review of Support for Single Homeless People in England, accommodation providers spoke of the shift in their income streams across the last 10 years. 56% cited Housing Benefit as their main source of income, a steep jump from just 13% in 2012. And of this 31% cited Enhanced Housing Benefit as their main source of income. Overall Housing Benefit is now the main source of income across the sector, increasing 231% overall in 10 years.



Accommodation providers main source of funding, 2010-2024 (from 'Annual Review of Single Homelessness 2023', Homeless Link, [Forthcoming]).

<sup>32</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

<sup>33</sup> Blood, I. et al. (2019). 'A Traumatized System': Research into the commissioning of homelessness services in the last 10 years. Riverside, University of York and Imogen Blood & Associates.

- 5.5. Across the same period, local authority commissioned funding has reduced significantly. While 89% of providers cited this as their primary source of income in 2010, this has now dropped to just 36%. While commissioned funding streams often pay for essential support activity, shorter funding windows can mean they are perceived as less stable than Housing Benefit income.
- 5.6. Providers also report significant challenges in affordability. Those in receipt of local authority commissioning have seen contract values remain largely static in recent years despite sharp rises in inflation. Many have ramped up private grant applications through trusts and foundations or fundraising activity to meet their core delivery costs, but describe this as leaving them vulnerable to market changes. The cost of living crisis has seen individual giving and grant fundraising drop significantly for some providers, all while the cost of delivery has risen. As services struggle to make up the shortfall in Government contracts, many have been forced to reduce the scale of their delivery and, in some cases, to close services altogether, with the latest data from Homeless Link members showing 19% of providers have already reduced or closed services, and 47% at further risk of doing so.
- 5.7. In addition to larger contracts such as RSI, many services fund support activity through smaller grant funding. These are usually tied to smaller government contracts or to trusts and foundations, and are often delivered on particularly short cycles of around 12 months.<sup>34</sup> Chasing small funding pots can take up significant resources, particularly for smaller organisations, and funds often favour new or innovative projects over day-to-day delivery. This can have serious impacts on the continuity of care, with staff moving between temporary contracts and changing roles to match whatever funding is available.

### Fundraising holistic support

- 5.8. The push towards Housing Benefit as a primary income source provokes distinct challenges in the delivery of holistic support. Such provisions include services such as floating support, employability and support with intersecting needs such as substance use or domestic violence. While these services can be instrumental in breaking the cycle of homelessness

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<sup>34</sup> Mackie, P., Fitzpatrick, S. and Morris, N. (2024). *Prevention into Action: Gaps and opportunities in locally-led homelessness prevention in England*. Homeless Link.

by addressing its root causes and helping someone settle in their community, they fall beyond the remit of Housing Benefit. This means people moving on from supported housing face a steep cliff edge in support and has resulted in many successful services closing as providers are pushed to focus their resources into accommodation.

- 5.9. The shortage of holistic funding streams raises particular challenges for smaller non-accommodation providers such as day centres or outreach support. A survey of Homeless Link member day centres showed their primary funding came from a combination of grant funding, individual giving and other fundraising activity.<sup>35</sup> These services frequently act as a first point of contact for people at risk of homelessness and can provide essential services like food, clothing or company to those who may otherwise be unable to access support.
- 5.10. But despite the essential role they play in the homelessness ecosystem, many have faced significantly reduced funding and cost pressures that have forced them to reduce their service or, in some cases, close altogether. Holistic services delivered by larger-scale providers are often first to be cut in efforts to reduce spending. Many smaller-scale or independent providers have seen their donation income decrease in light of cost of living pressures. This has coupled with an increasingly competitive small grant environment, inflated delivery costs and higher demand for crisis support, and has left many smaller providers at risk of closing altogether.

## 6. Key challenges of the current system

*"There's no sense of real planning for development, improvement, stability – it's just an ongoing battle to survive."*

- CEO, Homeless Link member organisation

- 6.1. After years of poorly-planned and increasingly unsustainable funding, the homelessness sector is in crisis. As many as 19% of our members have already reduced or closed services. 47% at further risk of doing so because of financial viability, and an increasing number have faced outright funding cuts from their local authority.<sup>36</sup> Our members report an

<sup>35</sup> Homeless Link, *Support for single homeless people in England, Annual Review 2022, 2023.*

<sup>36</sup> Homeless Link (2024). *Homeless Link submission to the Spring Statement 2024.*



overall lack of strategic financial coordination that stems from central Government. Despite delivering services on their behalf, charities are forced to waste significant time and resource chasing insecure funding to cover shortfalls and funding gaps, at the expense of planning and coordination. The result is a network of services forced to hop from crisis to crisis, vulnerable to market changes and unable to address the root causes of homelessness among the people who turn to them for support.

- 6.2. The inability of services to move beyond crisis responses means a revolving door of clients who return 'year after year' with homelessness driven by unresolved support needs, all while cost pressures push an ever-increasing number of people into homelessness for the first time. Services are now working within an unsustainable norm, with rough sleeping numbers rising rapidly, caseloads far beyond their intended capacity, and rising levels of overall need causing more people to become trapped in preventable cycles of homelessness.
- 6.3. This section outlines the widespread impacts of the broken funding system. This begins at the highest level, with services are unable to conduct common-sense business planning more than a year or two in advance. We then outline how cost-focused commissioning approaches trickle down into service delivery and the homelessness workforce. Most tragically, this section closes with a brief outline of the impact this has on people experiencing homelessness themselves, who are too often forced to rely on services that cannot deliver the support they need. The overall picture is one of crisis. Without a long-term plan to fund a system that works, the homelessness sector will continue to be pushed past breaking point.

### Overreliance on Housing Benefit

- 6.4. Quality support is the key to ending homelessness. Specialist providers are set apart by the support they deliver. Forcing charities to pay for staff time and support costs out of accommodation-focused Housing Benefit income fundamentally misrepresents the role that services play for those who access them. For many experiencing homelessness, a roof over their head is the first step on the road to recovery – but it is high-quality, person-centred support that unlocks a sustainable move on from homelessness.



- 6.5. Our current funding system works against this. Funding is channelled into maintaining the bricks and mortar of a property rather than supporting the people who live within it. This has created a system ripe for exploitation by those whose only motivation is profit. The exempt scandal has placed this into the spotlight, with an alarming amount of accommodation delivered without regard for quality nor safety while collecting money directly from the public purse. The LUHC committee described current funding regulations as ‘a licence to print money to those who wish to exploit the system’<sup>37</sup> – while the people unfortunate enough to be housed in such schemes live with the lasting damage and trauma they can cause.
- 6.6. The historic lack of oversight in the sector has left the system ‘a complete mess’, and it falls to the new government to unpick this. This work has already begun, with the Supported Housing (Regulatory Oversight) Act offering a promise of change within the sector. But in a support-focused system, exempt status would not be required and this crisis would not exist.
- 6.7. While it is not clear how much money is currently spent on exempt accommodation, the system is clearly generating huge inefficiency and waste. The new government can regain strategic oversight of spending by quantifying the existing Housing Benefit spend and redistributing funds to deliver better investment, higher-quality services and improved outcomes for those who live in them. To achieve this, the focus of funding must shift away from bricks and mortar and onto the provision of high-quality, consistent and person-centred support.

### Short-termism

- 6.8. Many of our members receive some portion of their funding through Government funding streams. One of the core criticisms of the current funding model is the short-term nature on which funding is commonly allocated. Contracts are generally awarded on a short-term cycle with little consideration of the impact this has on service delivery.

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<sup>37</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

- 6.9. The most prominent example of this is RSI funding. While welcomed as a necessary injection of funding when it was first introduced in 2018, providers were critical of the challenges posed by its initial one-year funding cycle.<sup>38</sup> Single-year contracts made it impossible to reliably forecast more than a year in advance, leaving little space for strategic planning and coordination. Services were left handing out fixed-term contracts to staff, driving high staff turnover and anxiety among the workforce. Providers were often not told of the outcome of new contract bids until April or May of the financial year, meaning they were forced to take the risk of covering delivery costs from reserves based on their anticipated funding.
- 6.10. After significant lobbying from the sector, Government announced that the 2022-25 RSI funding would be allocated on a 3-year basis. While this was a welcome change, providers maintain that the three-year cycle is still not long enough, and the lack of planning beyond the funding cycle meant they once again faced a cliffedge heading into 2025/26 whilst awaiting clarity of the first Labour budget allocations.
- 6.11. In December 2024 clarity that the new Rough Sleeping and Pre Grant would consolidate existing RSI allocation along with other funding sources into a direct LA grant was welcomed across Homeless Link memberships. But the sharp turnaround between the announcement of funding to local authorities and the recommissioning processes mean many services reporting they still don't know if they will have continued funding in the new financial year and are having to make decisions about shutting down services.
- 6.12. The constant cycle of short-term contracts and funding means vital support services are spending significant energy and resources on understanding if they are going to continue to exist, and trying to secure funding to keep their doors open. All this is extremely costly and inefficient, taking away critical resource from the frontline work of supporting people experiencing homelessness.

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<sup>38</sup> Homeless Link (2021). *Everyone In for Good: Homeless Link submission to the Comprehensive Spending Review 2021*.

## Race-to-the-bottom approaches

6.13. Even for those with relatively secure local authority contracts, commissioned contract values have increasingly fallen behind the cost of service delivery. We have heard from our members that despite headline announcements of new funding from Government, service-level funding has largely remained static in recent years. Many services have seen real-terms or actual cuts to their budgets, despite inflation-driven rises in the cost of service delivery and an increase in both the number of people requiring support and the severity of need they require support with. Services describe being expected to deliver more for less, all at the cost of their service quality.

6.14. The financial shortfalls in homelessness funding have also driven a cost-first approach to commissioning. Members describe losing contracts – often for services that they have provided for years – because lower-quality providers are able to offer to deliver them cheaper but in doing so sacrificing better outcomes. Tendering culture can pit local organisations against one another, with a number of providers chasing the same grants and winning out based on who can offer to deliver it the cheapest. Providers spoke of their frustration, both at the cost of contracts and the culture of competition that this fosters:

*“Sometimes the price of a contract is so low you know you can’t afford to tender for it. We are all aware these types of procurement practices kill collaboration and collaboration is what solves homelessness for people.”*

6.15. The culture of ‘race-to-the-bottom’ commissioning in homelessness drives the quality of services and support down as providers try to fit their service standards around what funding is available. This can make the effective implementation of high-quality support almost impossible. The basic principles of trauma-informed care require both time and strategic oversight to embed, with staff supported and trained to move away from crisis management. Without the ability to effectively horizon-scan, retain staff or offer sufficient support time to each resident, services instead remain trapped responding to crisis after crisis. This, in turn, prevents the effective support and recovery for people supported by the service, preventing recovery and perpetuating the long-term traumas of

homelessness.<sup>39</sup> All of this leads to ultimately driving up the costs to the public purse: not only through homelessness provision because of the protracted length of time people risk being trapped in homelessness, but also on wider public services including health, mental health, social care and criminal justice as the impact and trauma of homelessness takes hold.

### Impact on workforce

“We are commissioned to work in a trauma-informed way, but at the same time, we have to support so many people with a limited staffing capacity.”

- 6.16. The homelessness workforce has suffered shortages in recent years caused by low wages and high rates of burnout. The Homeless Link Workforce survey,<sup>40</sup> completed in June 2022, showed that workers are driven by a desire to make a positive difference, but that low wages and challenging workloads are driving people away from the sector. Only 28% of respondents felt frontline staff were appropriately paid, and workers who remained in the sector often did so in the knowledge that they could earn more elsewhere. The effect is an ‘unsustainable’ reliance on ‘good will and passion’.<sup>41</sup>
- 6.17. Frontline workers, who provide much of the flagship support for homelessness organisations, are generally the lowest paid among the workforce and the most likely to be exposed to trauma and burnout. Charity leaders have spoken to us of their intentions to fairly compensate staff but emphasised the limited resources available to do so. Low wages were portrayed as a symptom of the homelessness commissioning culture. Contracts have very fine margins on staff costs, making competitive pay challenging to deliver, with frontline wages often only slightly above minimum wage. Because wages are so suppressed, they are often lower paid than entry-level positions in supermarkets, and leaders report difficulty in delivering attractive job conditions to retain workers under current contracts.

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<sup>39</sup> Homeless Link (2024). *Being Trauma-Informed – a practice development framework*.

<sup>40</sup> Grassian, T. (2022). *2022 Workforce Survey: Key Findings*. Homeless Link.

<sup>41</sup> Grassian, T. (2022). *2022 Workforce Survey: Key Findings*. Homeless Link.

- 6.18. The overall result of workforce pressures has been a self-perpetuating cycle of staff shortages. Understaffing rarely means a reduction in the number of people supported. Instead, the same number of clients are shared across a smaller pool of support workers. As demand for services rises, workers are increasingly asked to take on additional cases, reducing the quality and intensity of support they can deliver while increasing the pressure associated with a higher caseload.
- 6.19. The high staff turnover driven by unstable funding can be destabilising at best and retraumatising at worst, with trusting relationships becoming less feasible as residents are shifted between workers or left worrying if staff will leave. Funding culture drives services to give high caseloads to low-paid staff, who are left not only 'trying to support people with higher levels of needs than they are equipped to cope with, but they are also often doing so under constant threat of redundancy'. This drives high turnover and burnout across the sector. For people experiencing homelessness, 'without continuity of staff, there is neither opportunity nor motivation to build any sort of relationship'.<sup>42</sup>

### Impact on people experiencing homelessness

"Housing First is meant to be open-ended. But we know with how our funding system works, that's not possible for us to promise. So we do also have a responsibility to get them in a place where everything's not going to crumble when we walk away"

- Housing First support worker<sup>43</sup>

- 6.20. Ultimately, it is people experiencing homelessness who are most impacted by the negative outcomes of homelessness funding. In many cases, the structure of the homelessness system means people remain in situations of homelessness for longer than necessary. Cliff-edge funding can undermine evidence-based approaches such as Housing First or trauma-informed care, which rely on unconditional support for as long as a person needs it.

<sup>42</sup> Blood, I. et al. (2019). *'A Traumatized System': Research into the commissioning of homelessness services in the last 10 years*. Riverside, University of York and Imogen Blood & Associates.

<sup>43</sup> Abdul Aziz, S. and Boobis, S. (2024). *More Than a Roof: Exploring the holistic outcomes of Housing First*. Homeless Link.

6.21. At its worst – yet all too often – the system can re-embed the traumas of homelessness. Forced to turn to services for support, an increasing number of people are being met with closed doors. Funding gaps mean that services may be unable to extend support to anyone beyond a core cohort of rough sleepers. For some, service closures may mean that support and accommodation services are simply absent, leaving people with no options to turn to. Even when able to access support, many are met with services that are delivered in precarity, with an unstable workforce and uncertainty about the future. In the worst cases, services can be actively damaging, fail to meet even minimum standards of care and support while collecting huge profits straight from the Housing Benefit bill.

### The right time for change

- 6.22. The homelessness system cannot continue as it is. While fantastic work happens across the system every day, this is done in the face of significant hardship. Patchwork funding and financial shortfalls leave providers across the sector vulnerable to crisis. Systemic underfunding has combined with exceptional financial pressures to leave providers drifting from one emergency to another while trying to remain afloat.
- 6.23. The challenges are rooted across the system as a whole. The cost of delivering temporary accommodation has left local authorities with little choice but to pull resources inward to meet their statutory duties, but this comes at the expense of non-statutory homelessness. Services have done all they can to balance the books and are running out of things to cut without undermining the safety of their services.
- 6.24. Inadequate services perpetuate homelessness: they trap people in cycles of engagement and disengagement, keep people held in situations of homelessness longer than necessary and can cause significant harm. Delivering services below cost forces inadequacy, and in doing so delivers very low value for money. Higher quality, localised services have been pushed out of the market as services are granted to the lowest bidder. The false economy of these services has taken precedent over delivering what works.

- 6.25. History shows us that change is possible. Radical changes to sector funding have taken place before, and they have delivered cost-effective services that have changed the lives of thousands. Without a long-term plan to fund a system that works, the homelessness sector will continue to be pushed past breaking point. It is extremely welcome that the Government has now begun work on creating a cross-departmental homelessness strategy, and will be prioritising reviewing homelessness spending across departments for 2026 onwards. We look forward to continuing to work with the Government to developing the new homelessness strategy and delivering a sustainable funding model that works for all.
- 6.26. It is vital that the Government collaborate thoroughly with the sector in the development of the new model, and that the future funding system is developed alongside the strategy and that they are integrated to ensure that the intended strategic objectives and goals are adequately and appropriately resourced.
- 6.27. Historic homelessness and rough sleeping strategies have increasingly been detached from the total funding environment which has undermined intention and contributed to unsuccessful delivery.
- 6.28. It is also essential that, while developing the model for reform, the Government does not allow the current system to fall over completely in the short term. These services are needed now, to continue providing support and accommodation to thousands of vulnerable people, and to provide the foundation for future strategic efforts to end homelessness.

## 7. Fixing the problem

*"It's the morally right thing to do but financially it also makes sense. Funding at the moment is a drop in the ocean compared to what homelessness is costing the country."*

CEO, Homeless Link member

- 7.1. With careful strategy, investment and oversight, a country without homelessness is possible. Funding can enable the system to promote health and recovery, and ensure people are consistently supported to move on from homelessness for good.

- 7.2. But there is work required to get to this stage. The homelessness sector has faced crisis for years, and getting to this point requires a fundamental shift in how its funding is allocated, evaluated and monitored. Without this, the way the system is delivered will continue to undermine efforts to end homelessness and let down the people it is intended to support.

### **Step 1: Regain strategic control over spending**

- 7.3. The homelessness system spans a huge range of services, working across homelessness prevention, relief and holistic support. These services are often the last line of defence for some of the country's most vulnerable residents. But the system overall is at once hugely expensive and insufficient, having been subject to severe cuts and funded in a patchwork manner that can trap people in homelessness for longer and leave some without any access to support at all.
- 7.4. The problems of this approach are evident across the country, as the cost of statutory homelessness threatens to bankrupt local authorities and non-statutory services close their doors while rough sleeping numbers continue to rise. Housing Benefit loopholes have led to the rise of unscrupulous providers who are able to deliver harmful, poor-quality housing while collecting inflated rents directly from the welfare bill.
- 7.5. It is evident that the former government lost control of spending on homelessness. To regain this control, the new government should commit to conduct a systematic review of homelessness spending – from direct spend on hostels, temporary and emergency accommodation to the unknown amount paid out to exempt accommodation providers, and the costs incurred by health, justice, the Home Office and other departments in supporting people with problems that stem from a lack of housing.
- 7.6. While current spending on homelessness is demonstrably inefficient, the true cost of that system remains unknown. It is imperative that Parliament conduct a systematic review of the costs and benefits of current approaches before consolidating this into a single budget designed to deliver strategic, proactive support to everyone who needs it rather than bouncing from one crisis after another.

### **Step 2: Redesigning the funding system**

- 7.7. Once the overall homelessness bill has been quantified, government should redesign the funding system to enable a sustainable, effective



and prevention-focused approach. Doing so will enable government to work more effectively with the VCSE and get the country back on track towards ending homelessness.

# The Essential Principles of Homelessness Funding

## Prevention first

### Long term

Funding is delivered alongside a long-term plan to end homelessness, on a 5-10 year cycle and matched to inflation.

### Joined-up

The whole system is funded to deliver consistent, high-quality support from their first contact with services until their last.

### Personalised

Commissioners fund a menu of options so that flexible support is available to everyone for as long as they need it.



### Ringfenced

Homelessness funding is ringfenced, and safeguarded from cuts to save elsewhere.

### Cross-departmental

Ending homelessness is a whole-Government mission, with investment and collaboration across departments.

### Comprehensive

Homelessness funding reflects the true cost of service delivery, covering the costs essential to delivering effective support.

### Trauma informed

All commissioned services hold trauma-informed care as a minimum standard and are sufficiently funded to deliver this.

## Prevention – the golden thread

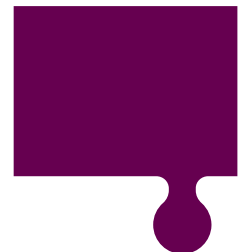
The first priority of any homelessness system should be to prevent homelessness whenever possible, and the funding system is no exception. Prevention is always the cheapest and least traumatising response to housing insecurity and risk of homelessness,<sup>44</sup> and everyone should be supported to remain in their home unless it is unsafe for them to do so.

While prevention has seen increased focus in local authority housing responses, it is yet to be truly embedded in the homelessness system in England and is often the first area to be cut in response to increased crisis demands.<sup>45</sup> Homelessness prevention is a shared responsibility, requiring a commitment to treat the causes of homelessness wherever they appear across government, and the funding commitments should echo this cross-departmental approach. Without it, the homelessness system is only ever able to respond to crisis, with an increasing flow of people turning to services because of needs that should have been met elsewhere.

Funding reforms must hold homelessness prevention at its core at every stage. Prevention saves money, minimising the risk of homelessness, preventing the worsening of support needs and driving down demand for support over time.

### Ringfenced

Ending homelessness is a sound investment. At current, the cost of homelessness is enormous – both the financial cost to local government, the NHS, DWP, police and prisons, and the human cost to those whose lives are placed at risk because of a shortage of coordinated accommodation and support.



Homelessness services are currently funded through a complex network of ever changing funding sources, many of which are vulnerable to cuts and reactive to market pressures. Budgets for homelessness support have diminished significantly across the last fourteen years, following the removal of the Supporting People ringfence.<sup>46</sup> In the years since 2010, bed spaces for people experiencing homelessness have dropped by 38%<sup>47</sup> while rates of rough

<sup>44</sup> Pleace, N. & Culhane, D.P. (2016) *Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England*. London: Crisis.

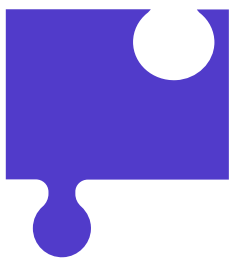
<sup>45</sup> Homeless Link (2024). *Homeless Link submission to the Spring Statement 2024*.

<sup>46</sup><sup>46</sup> Thunder, J. and Bovill Rose, C. (2019). *Local Authority Spending on Homelessness: Understanding recent trends and their impact*. WPI Economics, St Mungo's and Homeless Link.

<sup>47</sup> Homeless Link, *Support for single homeless people in England, Annual Review 2022, 2023*.

sleeping have risen by 120%.<sup>48</sup> Many supported housing services now rely primarily on Enhanced Housing Benefit income to survive through exempt accommodation. Providers told us of ‘dancing on pinheads’ to fit support under strict Housing Benefit criteria, limiting service improvements and innovation. At the same time, unscrupulous providers have used loopholes in these regulations to deliver poor-quality exempt supported accommodation, with extremely damaging outcomes.<sup>49</sup> All this has created a fragmented system of homelessness funding, leaving the Government with no knowledge of what is truly spent on relieving homelessness.<sup>50</sup>

To remedy this, the disparate funding that goes into the homelessness sector should be unified under one ringfenced budget that considers the homelessness system as a whole. Funding should be rebalanced towards the provision of high-quality support, with commissioning decisions based on service quality as much as cost.



### Long term

There is no quick fix to ending homelessness. Government, local authorities and homelessness service providers must work together to deliver a long-term, strategic approach if we are to make a country without homelessness a reality.

The current system of short-term funding cycles prevents this. Contracts are often granted on a one- to three-year basis, without enough certainty to plan strategically for the future.<sup>51</sup> This is further compounded by funds operating on different funding cycles and timescales, meaning constant shifting budgets for providers. This funding approach directly contravenes the principles of effective support. It prevents collaboration as services compete for the same funding pots year in, year out. It drives high turnover, pushing skilled workers out of the sector in pursuit of permanent contracts elsewhere. At its worst, it can drive repeat homelessness as people settled in accommodation find their homes placed up for tender, or successful services are lost due to contract changes.

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<sup>48</sup> DLUHC (2024). *Rough sleeping snapshot in England: Autumn 2023*.

<sup>49</sup> Levelling Up, Housing and Communities Committee (2022). *Exempt Accommodation Report*. 19<sup>th</sup> Oct 2022 HC 21.

<sup>50</sup> Davies, G (2022). *Letter from the Comptroller and Auditor General to the Chair of the LUHC Select Committee*. GF 1370 22, 27<sup>th</sup> July 2022. Available at:

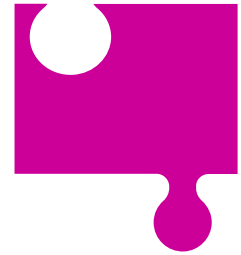
<https://committees.parliament.uk/publications/28518/documents/172215/default/>

<sup>51</sup> <sup>51</sup> Blood, I. *et al.* (2019). *‘A Traumatized System’: Research into the commissioning of homelessness services in the last 10 years*. Riverside, University of York and Imogen Blood & Associates.

Long-term funding is essential to achieve a country free from homelessness. This should span at least five to ten years and be matched with a long-term national homelessness strategy addressing the root causes of homelessness. Initial financial settlements should act as a minimum, with flexibility built in to respond to market changes, inflation, and variations in patterns of homelessness which may change the shape of service delivery.

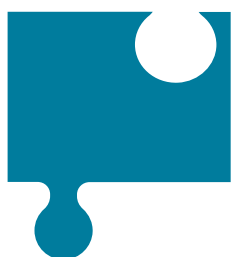
### Cross-departmental

Homelessness is not a single-department issue. Its drivers – including health, welfare, the justice system, and migration – are spread across government departments. It is in everyone’s interest to collaborate and invest in preventing and ending homelessness.



At current, however, responsibility for homelessness-related costs falls almost entirely to MHCLG. Funding is channelled through housing-related support even where the causes of homelessness sit across other support areas, and other government departments can play an active role in trapping someone in homelessness. This means MHCLG are left holding undue financial risk for shortfalls across other departments. Ultimately, this forces siloed working, letting other departments off the hook for their role in preventing and ending homelessness.

To achieve a whole-government commitment to ending homelessness, the funding system requires whole-government investment. This means not just shared accountability and strategy, but shared financial responsibility across MHCLG, DHSC, DWP, Home Office, Justice and Education. Collaborative funding should drive collaborative working, with each hand of government working together to address the root causes of homelessness and relieve it swiftly wherever it occurs.



### Joined-up

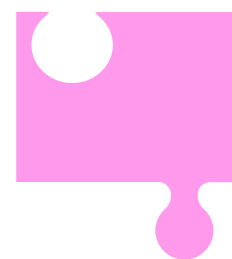
People often navigate their way through a range of services during their journey through homelessness. The funding system should support these services to work collaboratively and consistently, so that everyone receives high-quality support from the first contact with services until the day they exit homelessness for good.

Unfortunately we know that the current system is often far from consistent. Service funding for accommodation is often based on bed spaces rather than the people who occupy them, and services are often working in competition with one another. Outreach, day centres, emergency accommodation or other independently funded providers can face siloes on which other services they can work with as they are perceived to be outside of the mainstream system. This can mean huge variety in the quality or nature of the support offered to a person depending on who provides their support and accommodation. It also means that those moving into their own homes are often met with a steep drop-off in support. This too often destabilises progress, preventing people from settling in a new tenancy and making their house a home.

To prevent gaps in support and promote collaboration, the funding system should embed a whole-systems approach. Funding for support should follow the person being supported, ensuring consistency and care at every stage of their journey. This means collaborative commissioning across local areas to ensure that every service works together, from the first contact in a day centre to the moment someone is settled and secure in their own home.

### Comprehensive

It is homelessness services that turn government ambitions on ending homelessness into reality. They deliver essential support to some of the country's most vulnerable adults, and often do so on government contracts. Their services, when funded properly, relieve pressure on the NHS, justice system, local authorities and social care.



Current funding fails to recognise the essential role homelessness services play in supporting those with multiple complex needs. Some providers, like day centres and some night shelters, are excluded from government funding systems entirely, reliant on trusts, foundations or fundraising income to survive. Commissioned services often manage a complex patchwork of funding that rarely meets the cost of core service delivery.<sup>52</sup> Race-to-the-bottom commissioning practices have seen contracts awarded on price over quality, with providers pressed to deliver more for less or risk losing funding altogether. This false-economy approach has seen service quality decrease, outcomes worsen, and services scrambling to make up shortfalls elsewhere.<sup>53</sup> The

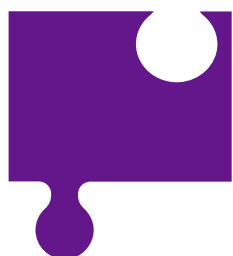
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<sup>52</sup> Blood, I. *et al.* (2019). *'A Traumatized System': Research into the commissioning of homelessness services in the last 10 years.* Riverside, University of York and Imogen Blood & Associates.

<sup>53</sup> Homeless Link (2024). *Homeless Link submission to the Spring Statement 2024.*

unstable funding environment has seen some choose to move away from commissioning altogether. Most worryingly, an increasing number of demonstrably successful services have closed their doors as static contracts have fallen well behind the cost of service delivery.<sup>54</sup>

Any approach to funding must consider a comprehensive view of the homelessness system recognising and valuing the diversity of services needed to tackle homelessness. Commissioning should be based on the true cost of delivering high-quality, effective services. Commissioners should be adequately resourced to pay providers for the services they deliver, covering all core staffing and building management costs. Settlements should be reviewed annually, adjusted in line with inflation and responsive to changing patterns of homelessness.



### Personalised

People who experience homelessness are incredibly diverse, and no two journeys through homelessness are the same. Evidence has repeatedly shown that effective support embraces diversity, meeting a person where they are and fitting around their needs.

Funding approaches mean the current system is rarely able to deliver on this standard of care. Budgets are usually linked to specific populations or forms of homelessness, meaning providers may face restrictions on who they can support. Competitive and time-consuming tendering processes have pushed many smaller, specialist providers out of the market as they struggle to compete with larger, general-needs providers. This has seen an increase in one-size-fits-all provisions, where everyone is funnelled through the same services and offered the same level of support. Such provisions can be dangerous and traumatising, disproportionately impacting those with multiple and complex needs, and those who already face heightened levels of discrimination, including women, young people, LGBTQ+ people and people of colour.

For homelessness support to be effective and economical, the system must be funded to deliver personalised support to everyone who needs it. This means embracing a diverse ecosystem of services: outreach, specialist supported accommodation, in-tenancy floating support and Housing First, to name a few. Ringfenced funding should cover all forms of homelessness and commissioners

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<sup>54</sup> Homeless Link (2022). *Keep Our Doors Open: The homelessness sector and the rising cost of living*.

should embrace specialism, funding a menu of options so that everyone has equitable access to support.

### Trauma informed

People experiencing homelessness have disproportionate experiences of trauma. Trauma-informed care can prove lifechanging for those engaged with services, supporting them to move past cycles of re-traumatisation and make sustainable progress towards ending homelessness. Becoming trauma-informed requires the whole system to continually reflect and develop to minimise the risk of re-traumatising those who access support.<sup>55</sup>



But homelessness is a trauma in itself, and people are too often traumatised by the systems designed to support them. Insecure, insufficient and short-term funding cycles across the homelessness sector can make embedding trauma-informed care almost impossible. Providers are often themselves delivering in crisis, unable to effectively plan for the future under the threat of funding cliff-edges. Restricted funding inflates caseloads and drives down the time staff can dedicate to each person they work with, creating challenges when trying to deliver and maintain person-centred and trauma-informed care. Services that are able to deliver trauma-informed care often rely on significant fundraising income to achieve this, with most providers simply unable to meet this standard within the budgets they receive from government.

All services funded through government should hold trauma-informed care as a minimum standard. This means funding that enables the conditions of trauma-informed care, including sufficient staff time to maintain low caseloads, to engage in reflective practice and to deliver safe and strategically planned services consistently.

## What We Do

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<sup>55</sup> Homeless Link (2024). *Being Trauma-Informed – a practice development framework*.

## Homeless Link

Homeless Link is the national membership charity for frontline homelessness services. We work to improve services through research, guidance and learning, and campaign for policy change that will ensure everyone has a place to call home and the support they need to keep it.

### Homeless Link

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**Let's End Homelessness  
Together**

