

Homeless Link's Submission to Housing, Communities and Local Government Committee: Local Government Finance and the 2019 Spending Review Inquiry

Introduction

1. Homeless Link is the national membership body for frontline homelessness agencies and the wider housing with health, care and support sector. We represent around 750 organisations providing supported housing and homelessness services across England. We work to improve services through research, information, training and guidance, and promote policy change to ensure everyone has a place to call home and the support to keep it.
2. Homeless Link are a member of the Making Every Adult Matter Coalition (MEAM), alongside Clinks and Mind, formed to improve policy and services for people facing multiple needs. Together the charities represent over 1,300 frontline organisations that have an interest in the criminal justice, substance misuse, homelessness and mental health sectors. We support local partnerships across the country to develop effective, coordinated approaches to multiple needs that can increase wellbeing, reduce costs to public services and improve people's lives.
3. We are pleased to make a submission to Housing, Communities and Local Government Committee: Local Government Finance and the 2019 Spending Review Inquiry. We have developed this submission through our on-going work with our member organisations, our research activities, and discussions with our National Advisory Council¹, our National Policy Forum² and Expert Panel.³
4. People who are homeless may need a range of support to help them end their homelessness – accessing and sustaining housing, improving poor health, overcoming substance use, gaining skills and employment and moving on from offending. This is why each year a range of homelessness services play a critical role in helping thousands of people leave homelessness behind and preventing many more losing their homes in the first place. Local authorities play a significant role in helping to tackle homelessness through the services they commission and the direct support they provide.
5. The reduction in local authority funding has resulted in local authorities cutting spending on homelessness services, which has had a detrimental impact. Alongside other structural causes of homelessness, such as welfare reform, a lack of social housing and reductions in wider support services, homelessness has increased. Local authorities desperately need to have sufficient, certain and sustainable funding to invest in preventing and ending homelessness and adequate guidance and resource to do so effectively. This submission focuses on the lessons learnt over the last decade and provides suggestions for how the Government should approach local government funding as part of the 2019 Spending Review.
6. Homeless Link would be glad to elaborate further on any of the information provided. For any questions about this submission, please contact Michaela Des Forges, Policy Manager at Michaela.DesForges@Homelesslink.org.uk

What lessons can be learned from past changes to local government funding

Lesson One: Reductions in local authority budgets have resulted in substantial reductions in spending on vital non-statutory homelessness services over the last decade

7. Central government funding for local authorities has fallen by half since 2010/11.⁴ This has meant that local authorities have had to make difficult decisions about where to spend smaller amounts of funding. New research commissioned by Homeless Link and St Mungo's shows that overall, more than £5bn less

¹ The National Advisory Council is Homeless Link's main forum for members to influence and help shape Homeless Link's responses to policy. It is made up of a range of senior people from homelessness organisations across England.

² The Policy Forum is a Homeless Link run forum for our members to learn about new policies, debate the impact of new policies and gather the strongest possible evidence with the aim of influencing Government policy.

³ The Expert Panel is an advisory group of people with lived experience of homelessness who inform and shape Homeless Link's policy and practice.

⁴ NAO (2018) *Financial sustainability of local authorities 2018*. <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

has been spent on homelessness-related activities between 2008/9 and 2017/18 than would have been spent had funding continued at 2008/9 levels (see Figure 1). This equates to a reduction of around £590m a year on average since 2008/9 and a reduction of 27% in spending on homelessness services.⁵

Figure 1. Cumulative change in expenditure since 2008/9, 2017/18 prices (000s)



8. This reduction in spending has not been equally felt across different groups of homeless people or across regions. Over the last decade spending on homeless families has risen slightly as a result of statutory duties to house and increases in spending on temporary accommodation (see Figure 1). The squeezing of local authority budgets has resulted in local authorities drastically cutting funding for single homelessness services. For single homeless people in England, local authority spending on support fell by 53% between 2008-9 and 2017-18 and there is currently a £1bn a year funding gap for services for single homeless people.⁶
9. The biggest area of cuts has been to housing-related support (formerly the Supporting People programme). This funding provides a wide range of housing support to help people maintain tenancies, live independently and offers a lifeline for thousands of the most vulnerable people in our society. This support provided through floating support and supported housing improves people's health and independence and helps ease the pressure on other services, including the NHS, social care and the criminal justice system. It promotes social inclusion, plays a critical role in preventing ill health or the escalation of someone's support needs, empowers individuals to achieve their potential, and contributes to stronger and safer communities.
10. The National Audit Office found that there has been at least a 70% reduction in local authority spending on housing-related support across England.⁷ We have heard of many examples of severe cuts to funding by local authorities and in some areas it has completely disappeared. These cuts are having a visible impact on communities and directly contributing to the reduction in services and increases in homelessness in some areas. Reductions in one funding stream also puts pressure on other funding streams, as we have seen through the increased pressure on Housing Benefit to pay for supported housing, and increased importance on fundraising activities and external or philanthropic funders.
11. While the Ministry of Housing, Communities and Local Government (MHCLG) are aware of the reductions in housing-related support funding and have commissioned their own review and research, we believe there is an urgent need for the pressure on support funding to be acknowledged and addressed and for Government to provide local authorities sufficient and directed funding for this crucial support.

⁵ WPI Economics (forthcoming) *Local authority spending on homelessness. Understanding recent trends and their impact*

⁶ WPI Economics (forthcoming) *Local authority spending on homelessness. Understanding recent trends and their impact*

⁷ NAO (2018) Financial sustainability of local authorities 2018 <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

Lesson Two: During this period of funding cuts, and despite some measures, homelessness has increased considerably and the lack of support services can lead to tragic consequences

12. Over the last decade all forms of homelessness have increased in England. A total of 4,677 people were counted or estimated by local authorities to be sleeping rough in England in autumn 2018. While this does represent a 2% decrease from the 2017 figure of 4,751, this is the first time in eight years that the estimated number of rough sleepers in England has gone down. The number of people sleeping rough in England has increased by 31% in the last 3 years, and 165% in the last 8 years.⁸
13. Over 82,000 households, including over 120,000 children, were in temporary accommodation at the end of June 2018 up by 71% from its low point seven years earlier.⁹ A continuation of this trend would see homeless placements topping 100,000 by 2020.¹⁰
14. An estimated 58,000 people are living with multiple needs. These individuals face a series of simultaneous challenges – they battle drug and/or alcohol addiction, experience mental health problems, sleep rough and are in frequent contact with the criminal justice system.¹¹ Without action these numbers will continue to increase.
15. Research commissioned by Crisis estimated that in 2017, there were as many as 160,000 households overall experiencing homelessness.¹² This figure includes rough sleepers, ‘sofa-surfers’, people staying in hostels, shelters and refuges, and households placed in unsuitable temporary accommodation. These numbers are projected to almost double over the next 25 years if current policy and spending regimes remain the same.¹³
16. We know that living on the streets or without a stable home can have tragic consequences. New data from the Office of National Statistics shows that there were an estimated 597 deaths of homeless people in England and Wales in 2017, a figure that has increased by 24% over the last five years. These numbers showed that the life expectancy of homeless people is a shocking 44 years of age overall and 42 for women.¹⁴ The Bureau of Investigative Journalism recently released figures that revealed almost 800 people who are homeless have died over the last 18 months, which is an average of 11 every week. The report also shows that a third (30%) of the homeless deaths were from treatable conditions that could have improved with the right medical care and housing support.¹⁵
17. While there have been steps taken by Government to address increasing homelessness, for example through the Rough Sleeping Strategy and the Homelessness Reduction Act, these measures have been undermined by the significant cuts in spending by local authorities. The additional funding announced for local authorities as part of these changes also fall very far short of the amount of money that has been lost in this time.

Lesson Three: Services have been reduced in light of increasing demand and complexity of need and this has had a direct impact on the lives of people experiencing homelessness

18. The most direct impact of the reduction in local authority funding is through the reduction in services. There are currently 1,085 accommodation projects in place for single homeless people in England. Homeless England data indicates that over the past few years, there has been a reduction in the number of

⁸ Ministry of Housing, Communities, and Local Government (2018) Rough Sleeping Statistics Autumn 2018, England

<https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>

⁹ Ministry of Housing, Communities, and Local Government (2018) ‘Statutory Homelessness Live Tables: Temporary accommodation tables’

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

¹⁰ Fitzpatrick S., Pawson, H., Bramley, G., Wilcox, S., Watts, B., and Wood, J. (2018) *The Homelessness Monitor: England 2018*. London: Crisis.

¹¹ MEAM (2017) Multiple needs: Time for political leadership. <https://www.homeless.org.uk/sites/default/files/site-attachments/MEAM%20%20-%20Multiple%20needs%20time%20for%20political%20leadership%20Oct%202017.pdf>

¹² Bramley, G. (2017) Homelessness projections: Core homelessness in Great Britain London: Crisis

¹³ Bramley, G. (2017) Homelessness projections: Core homelessness in Great Britain London: Crisis

¹⁴ Office for National Statistics (2019) Deaths of homeless people in England and Wales: 2013 to 2017.

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2013to2017>

¹⁵ The Bureau of Investigative Journalism (2019) Homelessness kills: Study finds third of homeless people die from treatable conditions.

<https://www.thebureauinvestigates.com/stories/2019-03-11/homelessness-kills>

accommodation projects and bed spaces. Homeless Link's annual reviews show a reduction in the number of bed spaces from an estimated 50,000 in 2008 to 35,000 in 2017, a fall of around 30%.¹⁶ These services have not reduced because of reduced demand, but from cuts to funding, uncertainties about future funding and reduced ability to respond to increased complexity of need. Previous research by St Mungo's found the total number of floating support services fell by 31% between 2013/14 and 2017/18 in the areas with the highest levels of rough sleeping in England.¹⁷

19. The single biggest concern of our members is the security of funding to stay afloat, keep staff and also meeting increasing need. Homeless Link's 2017 Annual Review shows that 72% of accommodation projects received some funding from local authority housing-related support, 55% of projects identified it as their main source of funding and 39% of accommodation projects reported a decrease in funding in the past year.¹⁸ This is having an impact on quality of services and on outcomes achieved and many providers are struggling with staff retention and low wages. In conversations with our members and local authorities, we have been told that a reduction in housing-related support funding is having a detrimental impact on services.

“The reduction in housing-related support funding has decimated the supported housing sector in England.”

Homeless Link National Advisory Council member 2019

20. Our members also report an increasing level in the complexity of needs of people in their services. The reduction in central government funding for local authorities has meant spending has been cut across other vital services, including community mental health and substance use services. These services impact the likelihood of people becoming homeless and the ease with which they can be supported to end their homelessness. For example, between 2013/14 and 2016/17 local authority spending on substance misuse services for children and young people fell by 25% and services for adults who misuse drugs fell by 21%.¹⁹ In 73% of cases where homeless accommodation projects turn someone away, one of the reasons cited is that their needs are too high to be safely supported in the service.²⁰ This shows there is a significant gap in support for people who are most in need of it.
21. Homelessness services report increasing mental health need, as community mental health teams struggle with high caseloads, meaning that thresholds to access support are extremely high. 85% of people with the most complex needs experienced some form of trauma in childhood.²¹ For women in particular, this frequently continues into adulthood with many women who are homeless also likely to experience domestic abuse and violence. In our 2017 Annual Review accommodation providers most often reported difficulties in clients accessing mental health services (66%), which is particularly concerning in light of the prevalence of mental health problems among people experiencing homelessness.²² Sustainable and long-term funding for co-ordinated and trauma-informed services is needed.²³

Lesson Four: A focus on crisis services and temporary accommodation is an expensive and short-sighted approach to addressing homelessness

22. Current spending on homelessness largely falls on dealing with the aftermath of homelessness rather than on services which can help prevent and alleviate it. Spending on temporary accommodation has increased

¹⁶ Homeless Link (2018) Annual Review 2017: Support for single homeless people in England <https://www.homeless.org.uk/facts/our-research/annual-review-of-single-homelessness-support-in-england>

¹⁷ St Mungo's (2018) Home for Good: the role of floating support in ending rough sleeping <https://www.mungos.org/publication/home-for-good-the-role-of-floating-support-in-ending-rough-sleeping/>

¹⁸ Homeless Link (2018) Annual Review 2017: Support for single homeless people in England https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review%202017_0.pdf

¹⁹ New Policy Institute (2018) A Quiet Crisis Local government spending on disadvantage in England https://www.npi.org.uk/files/7715/3669/7306/A_quiet_crisis_final.pdf

²⁰ Homeless Link (2018) Annual Review 2017: Support for single homeless people in England https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review%202017_0.pdf

²¹ Lankelly Chase (2015) Hard Edges, p. 28 <https://lankellychase.org.uk/resources/publications/hard-edges/>

²² Homeless Link (2018) Annual Review 2017: Support for single homeless people in England https://www.homeless.org.uk/sites/default/files/site-attachments/Annual%20Review%202017_0.pdf

²³ University of Sheffield and MEAM (2017) Going further back: earlier action on multiple needs to prevent homelessness

significantly since 2013/14. Spending on family homelessness shows a large recent increase in temporary accommodation costs, which increased by 66% between 2011/12 and 2017/18. This has driven the overall increase in spending on family homelessness.²⁴

23. A recent Local Government Association survey of local authorities found 61% of respondents had seen increases in the number of people in temporary accommodation. In 21% of areas these increases were significant. The lengths of time people are spending in temporary accommodation also increased for 60% of responding councils.²⁵ In 2011/12 local authorities were spending around £1290m on preventive housing services compared to £610m on crisis support; five years later this was reversed, with spending on preventive services reduced by £590m (46%) and a 58% increase on crisis spending to £970m.²⁶
24. The costs of not preventing or relieving homelessness are felt not just by people experiencing homelessness but also our local communities and on the different departmental budgets which deal with the consequences of people not having a home – for example, ill-health, higher social care needs, offending, and the high cost of temporary accommodation. Research estimates that savings can be made to public spending of £9,266 per year for every person prevented from experiencing one year of homelessness.²⁷ A far more effective way of funding services would be to ensure that people have access to housing, personalised support, and an effective safety net, to prevent the high costs associated with crisis support. For example, we know that supported housing plays a key role in helping people to stay well and reduces A&E or hospital admissions.

Lesson Five: Central and local government have missed opportunities to prevent and end homelessness and change the lives of people experiencing homelessness

25. In terms of outcomes, housing-led approaches are effective in helping to end and prevent future homelessness. Supported housing can help people to achieve a range of positive outcomes and contributes to stronger and safer communities. It promotes social inclusion, plays a critical role in preventing ill-health or the escalation of someone's support needs, and the support on offer helps people develop vital skills and access to education, training and employment. Discussions with people with lived experience of homelessness have highlighted the importance of high quality supported housing.

“Supported housing saved my life.”

Expert Panel member, 2019

“The security of having a roof over my head enabled me to focus on other aspects of my recovery and focus on other things that I wanted to achieve...without this element to my recovery it would have been extremely difficult to succeed.”

Andy, Ex-offender helped by supported housing

26. Investment in housing-related support also leads to savings in other parts of the system. The most comprehensive evaluation of Supporting People (now housing-related support) found that a £1.6 billion investment generated net savings of £3.4 billion to the public purse. This included avoiding £315.2 million health costs, £413.6 million costs of crime and criminal justice and £96 million costs of homelessness.²⁸
27. Homeless Link runs the Housing First England project, which aims to create and support a national movement of Housing First services across England. Housing First is an evidence-based approach to successfully supporting homeless people with high needs and histories of entrenched or repeat homelessness to live in their own homes. The overall philosophy of Housing First is to provide a stable, independent home and intensive personalised support and case management to homeless people with

²⁴ WPI Economics (forthcoming) *Local authority spending on homelessness. Understanding recent trends and their impact*

²⁵ Local Government Association (2019) *Homelessness Reduction Act Survey 2018 – Survey Report*. London: Local Government Association.

<https://www.local.gov.uk/homelessness-reduction-act-survey-2018-survey-report>

²⁶ New Policy Institute (2018) *A Quiet Crisis Local government spending on disadvantage in England*

https://www.npi.org.uk/files/7715/3669/7306/A_quiet_crisis_final.pdf

²⁷ Pleace N & Culhane D.P. (2016) *Better than Cure? Testing the case for enhancing prevention of single homelessness in England*

²⁸ Capgemini for DCLG (2009) *Research into the financial benefits of the Supporting People Programme*

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/16136/1274439.pdf

multiple and complex needs. Housing First aims to integrate isolated people into their community, to develop their social networks and to help rebuild their lives. Housing First is based on seven principles:

- People have a right to a home
- Flexible support is provided for as long as is needed
- Housing and support are separated
- Individuals have choice and control
- An active engagement approach is used
- The service is based on people's strengths, goals and aspirations
- A harm reduction approach is used²⁹

28. Adopting these principles has supported Housing First to deliver the successful outcomes it has to date. Housing First is proven to end homelessness for around 80% of people with high support needs.³⁰ Despite the overwhelming evidence base, there is a significant gap between demand between current need for this and provision. Research commissioned by Crisis and Homeless Link reviewed and analysed existing evidence to identify what is needed to support the implementation of Housing First across Great Britain and estimated that there were 18,500 people across Great Britain in need of this initiative.³¹ There are currently only around 300-400 people in Housing First places in England.³² Increasing Housing First will require investment in housing, long-term funding for support and buy-in from across government departments.

29. We also know that co-ordination of services can have a positive impact. In the 27 local areas MEAM works with across England, including the 12 Fulfilling Lives partnerships supported by the Big Lottery Fund, the voluntary sector, local authorities and statutory services are working together, drawing on their shared experience and voluntary organisations' close connections to their communities. They are changing the way that services work and transforming people's lives. Better integration across the health, housing and social care sectors is a key solution to funding challenges. The MEAM work has demonstrated the positive impact a more coordinated approach can have on supporting people with multiple and complex needs. Areas with a coordinated approach to multiple needs recorded an average reduction in costs to wider services of 23% in the same time period.³³ However, even with better co-ordination between services, local authorities need more funding to spend on these vital services.

The approach the Government should take to local government funding as part of the 2019 Spending Review

30. Local authorities desperately need to have sufficient, certain and sustainable funding to invest in preventing and ending homelessness and adequate guidance and resources to do so effectively. Initiatives that are successful in preventing and ending people's homelessness need to be supported with long term sustainable funding and that funding needs to be based on targets and need for services. In order to meet the Government's other priorities, particularly those in the Rough Sleeping Strategy, more funding for local authorities is urgently needed. It is critical to ensure provision of ongoing support and services for those who need it to help people stay in their homes and to prevent eviction and the need for more costly crisis support.

²⁹ Homeless Link (2016) Housing First in England The principles

https://hfe.homeless.org.uk/sites/default/files/attachments/Housing%20First%20in%20England_The%20Principles.pdf

³⁰ Housing First Europe Hub, <http://housingfirsteurope.eu/guide/what-is-housing-first/introducing-housingfirst/>

³¹ Blood, I., Goldup, M., Peter, L. and Dulson, S. (2018) Implementing Housing First across England, Scotland and Wales. Imogen Blood & Associates. London: Crisis and Homeless Link

³² Homeless Link (2019) Housing First in England - a look back at the last three years

<https://www.homeless.org.uk/connect/blogs/2019/mar/28/housing-first-in-england-look-back-at-last-three-years>

³³ MEAM (2017). Multiple needs: Time for political leadership. <https://www.homeless.org.uk/sites/default/files/site-attachments/MEAM%20-%20Multiple%20needs%20time%20for%20political%20leadership%20Oct%202017.pdf>

31. Homeless Link backs calls from our members, such as Crisis and St Mungo's, that the Government invest around an extra £1 billion a year for local authorities to spend directly on homelessness services. As part of this approach there needs to be a focus on prevention measures, and evidenced based, housing-led solutions to ending homelessness. We believe the Government needs to urgently invest in housing-related support funding that matches local need so that supported housing can secure a more sustainable future and services can continue to provide much needed support.
32. Homeless Link also agrees with Crisis that investment should be aligned to policies that are proven to end homelessness, as opposed to just managing it. This means increased investment in upstream prevention, alongside a long-term investment in personalised housing-led approaches, such as Housing First. Homeless Link is willing to work with the Government to ensure the right frameworks are in place for assessing need for services, providing adequate levels of funding to truly tackle homelessness, and ensuring that outcomes are achieved through focusing spending on effective interventions.
33. The research commissioned by Homeless Link and St Mungo's sets out the following three principles for any future funding system:
- **Sufficiency:** Funding needs to be sufficient. If local authorities are pressed to choose between managing crisis situations and preventing those situations from occurring, they will manage the urgent crisis situations – but this can store up problems for the future. Preventing homelessness is both more desirable in human terms, and far more cost effective for the state, than responding to it. However, this is increasingly difficult to do as budgets have fallen and crisis needs have increased.
 - **Certainty:** It must provide local authorities with certainty that funding will continue. Recent moves to provide additional funding streams are welcome, but too often are only for short periods, which constrain local authorities and providers and do not replace the spending reductions.
 - **Directed:** Funding needs to come with a mechanism for ensuring that any additional money reaches people experiencing homelessness. This could be a ring-fence to 'push' that funding to particular activities, or statutory duties or central government expectations to 'pull' that funding.³⁴
34. Homeless Link recommends two other principles to guide the funding:
- **Co-ordinated:** A new funding system must facilitate strong local partnership working to ensure that tackling homelessness is embedded across local strategies, and is based on an analysis of local needs to ensure the best outcomes for people living in these services. Services must coordinate their efforts, providing the comprehensive and holistic support people actually need. A well-coordinated response from services prevents people from reaching the point where they face multiple problems and responds effectively to their needs when they do.
 - **Effective:** Funding needs to be invested in evidence-based initiatives we know work, such as Housing First for people with multiple and complex needs. They also need to allow commissioners, services and people with lived experience to design the best solutions and ways of measuring success. When services are genuinely co-produced they work better, because they make the most of the shared expertise of professionals and people who have experience of using them.
35. Alongside increased funding for homelessness services, we urge the Government to increase low-rent housing supply and affordability across all tenures and also reverse the freeze on the Local Housing Allowance and review levels so that they reflect the reality of the local rental market. Specifically, the Government must invest in building 90,000 new homes for social rent per year and bring Local Housing Allowance back into line with at least the bottom 30% of local private sector rents.

For any further information please contact Michaela Des Forges at
Michaela.desforges@homelesslink.org.uk

³⁴ WPI Economics (forthcoming) *Local authority spending on homelessness. Understanding recent trends and their impact*