1.1. Our submission is focused on the current financial situation of councils, and how this has affected their ability to tackle homelessness.

1.2. We would be very pleased to provide further evidence to the Committee, if helpful.

2. Summary

2.1. Nearly 600 people died while sleeping rough or in emergency accommodation in 2017\(^1\) and at the last count there were 120,000 children living in temporary accommodation.\(^2\) Government ministers have said that preventing homelessness and ending rough sleeping is a priority for the 2019 Spending Review.\(^3\) There can be little doubt it is an urgent priority.

2.2. The Government must recognise the impact funding cuts have had on local authorities’ ability to tackle homelessness and ensure, moving forward, that local authorities have the long-term, guaranteed funding needed to effectively prevent homelessness and end rough sleeping.

2.3. The Government must also use the Spending Review to invest in delivering at least 90,000 homes a year at social rent levels\(^4\) and return Local Housing Allowance (LHA) rates to at least the 30th percentile of market rents.

2.4. This increase in LHA rates is desperately needed to prevent more people from becoming homeless because they can’t afford to make up the shortfall between

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\(^4\) Research by Heriot-Watt University on behalf of Crisis and the National Housing Federation found 90,000 new homes for social rent are needed every year for 15 years to meet the current and future housing need in England [https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/housing-models-and-access/housing-supply-requirements-across-great-britain-2018/]


\(^7\) WPI Economics (2019) *Local authority spending on homelessness. Understanding recent trends and their impact*. This report is forthcoming and will be published in full on 24 April 2019. The research, commissioned by St Mungo’s and Homeless Link, used Revenue Outturn data to analyse changes in English local authority spending on homelessness-related activity since 2008/9. This includes advice and support to homeless households and those at risk of homelessness, temporary accommodation, and measures to help people stay in their homes, whether housing-related support or discretionary housing payments. The research also used interviews with local authority staff and homelessness service providers to investigate the impact of the reduction in spending.
their housing benefit and their rent. It will help local authorities to fulfil their duties under the Homelessness Reduction Act (2017) and significantly reduce the current spend on temporary accommodation.

2.5. If these measures aren’t included in the 2019 Spending Review, homelessness is likely to remain a growing problem and the Government is likely to miss its own target of halving rough sleeping by 2022 and ending it altogether by 2027.

3. Government funding cuts have caused a fall in local authority spending on homelessness services

3.1. Government funding for local authorities has fallen by half since 2010/11\(^5\). Under this pressure local authorities are struggling to maintain service provision and regularly place homelessness at the top of their list of immediate and long-term pressures.\(^6\)

3.2. New research from St Mungo’s and Homeless Link shows that cuts to local authority funding have seen spending on homelessness services shrink by 27% between 2008/9 and 2017/18. This has meant a cut of £590 million a year on average.\(^7\)

3.3. More striking is the cut to spending on support for single homeless people, which has fallen by 53% in the same period. This is the result of cuts to ‘Supporting People’ services which are often about helping people to avoid and escape homelessness. In 2017/18 nearly £1 billion less was spent on Supporting People services compared to 2008/9.

3.4. Recent government funding to tackle homelessness is welcome but doesn’t come close to replacing the £590 million lost per year since 2008/9.

3.5. The use of small pots of short-term funding also creates serious challenges for local authorities, preventing a strategic approach, limiting what can be achieved and creating uncertainty for service providers and service users.

3.6. Several recent funding initiatives such as the Rough Sleeping Initiative Fund also require local authorities to bid for the funding within a short timeframe, which diverts resources from effective commissioning, delivery and oversight.

4. Ensuring homelessness services are fully funded and fit for the future

4.1. We urge the Government to use the 2019 Spending Review to ensure local authorities have sufficient, certain and sustainable funding that is targeted at preventing homelessness and ending rough sleeping.

4.2. We recommend funding is restored to the levels invested in homelessness services before the financial crash and enough funding is provided in the future. This means investing an extra £1 billion a year in homelessness services through a ring fenced grant to local authorities.
4.3. Given the wider pressure on local authority budgets, there must be a mechanism (such as a ring-fence) for ensuring additional funding is targeted at activity to prevent and reduce homelessness. A shared outcomes and performance framework for all homelessness provision should be developed and put in place alongside the ring-fenced funding to ensure that investment is delivering the best value for money.

4.4. By implementing our recommendations, the Government can ensure everyone who is homeless, or threatened with homelessness has a tailored package of support that will help them end their homelessness for good.

April 2019