About Centrepoint

- Centrepoint is the leading national charity working with homeless young people aged 16 to 25. We are a registered social housing provider, a charity enterprise and a company limited by guarantee. Established nearly 50 years ago, we provide accommodation and support to help homeless young people get their lives back on track.

- Every year, alongside our partner organisations, we work with over 9,000 young people, providing tailored support to help them address their support needs, with a particular focus on health, learning, and move on to independent accommodation in both the social and private rented sectors.

Q.1 What lessons can be learned from past changes to local government funding in England, the current financial situation of councils, and how this has affected their ability to deliver services.

1.1 Local government has seen deep cuts to its funding since 2010, affecting its ability to deliver services over a range of vital areas. The Local Government Association estimates that by 2020 local authorities will have seen cuts of 60 per cent of their core funding - a reduction impacting disproportionately on the poorest areas of the country and on the most vulnerable members of society.

1.2 Preventing and tackling homelessness is an area which has been significantly affected by these reductions in funding. Services supporting single homeless people have seen the most severe cuts; bedspaces in homelessness services have declined by a third between 2008 and 2018, at a time where all forms of homelessness, including rough sleeping, have drastically increased across the UK.

1.3 Supporting People, a fund used to help vulnerable people access and sustain accommodation, has been cut by 70 per cent since 2010. Centrepoint has seen cuts of almost a fifth in the value of its contracts funded through Supporting People, limiting the resources available to support vulnerable young people experiencing homelessness.

1.4 Pressures on funding have meant councils have been forced to divert resources away from non-statutory services, such as youth and community services, in order to cover shortfalls elsewhere. The Early Intervention Grant, which pulled together information, advice and support of young people and families has similarly seen a 70 per cent reduction in its value. (The Childrens Society 2016). These cuts mean that the capacity of local authorities to deliver early intervention and preventative services has been reduced and more people are reaching crisis point, pushing them into hardship and distress and requiring further intensive support.
Q.3 How funding needs of local government are assessed. The current and forecast funding needs of local government and how these needs can be better understood at both a national and local level.

3.1 In order to fulfil new duties under the Homelessness Reduction Act (2017) it is essential that councils are adequately resourced and that funding allocations are based on evidence of demand and need. Central government must consider additional funding as a priority, based on their review of the Homelessness Reduction Act. Without this, the Homelessness Reduction Act will not achieve its aim of supporting all people in need. A thorough funding review based on needs would ensure councils have the security to plan services in the longer term.

3.2 All councils in England have been allocated a new burdens fund to help them deliver new duties to people facing homelessness. However, over half of councils said that they did not receive enough funding in 2017/18 to increase the number of assessments and prevention and relief cases needed by homeless young people under the new legislation.

3.3 Current funding allocations were based on levels of homelessness support provided by each local council before the new duties under the Homelessness Reduction Act were in place. However now that councils are duty bound to offer meaningful support to everyone, regardless of their priority need, costs have increased significantly. It is essential that future allocations are based on need rather than existing levels of support in local areas.

3.4 Extra funding must also be invested in standardizing the data collection system used to input information into H-CLIC across local authorities, as the quality of systems currently used is varied. A number of councils have not been able to effectively implement new data systems and in some cases they have made data harder to reach. In order to ensure evidence driven policy, central government should support local government to ensure that the H-CLIC system works and allows for data collection that improves the knowledge base within local and central government.

Q.4 The approach the Government should take to local government funding as part of the 2019 Spending Review, what the key features of that settlement should be, and what the potential merits are of new or alternative approaches to the provision of funding within the review.

4.1 Centrepoint supports the principle of a significant overall increase in the levels of funding to local authorities. Local government has seen its budget fall by half since 2010, while demands for key services, such as children’s services, adult social care and homelessness prevention and relief have steadily increased.

4.2 The 2019 spending review should recognise that the work of local government is vital in providing services and support to a range of vulnerable citizens, including homeless young people, but without
adequate funding local authorities’ ability to carry out this work is severely impaired. Centrepoint’s Youth Homelessness Databank 2018 found that 103,000 16-24 year olds approached their local authority for advice and assistance in 2017/18, yet fewer than half received any documented support. Again, with new duties on local authorities outlined in the Homelessness Reduction Act 2017, it is critical that they have sufficient resources to tackle homelessness based on existing and projected levels of need.

4.3 Funding needs to be sustained and local authorities, service providers and service users need guarantees that support will be maintained in the long term. While targeted funding for pilots, short-term models and time limited projects is effective in particular areas and over particular periods, the funding settlement should ensure that local authorities have the resources to provide the support homeless people need to successfully avoid and move on from homelessness for good.

4.4 The spending review should also recognise the impact of policies and decisions taken across government, and how these can affect levels of homelessness. To ensure the government meets its homelessness targets such as halving rough sleeping by 2022 and ending it by 2027, the government needs to recognise where the policies and procedures of different departments may be making it more difficult for people to access and sustain accommodation.

4.5 For example, Centrepoint’s research found that Department for Work and Pensions policies and procedures are making it more difficult for homeless young people to move on from supported accommodation, as a result incurring greater costs for local government, while local authorities have consistently expressed concerns about the impact of welfare policies on their ability to prevent and relieve homelessness. Local Housing Allowance rates are not sufficient to cover rents across 90% of local authority areas, meaning that it is increasingly difficult for councils to place homeless households in affordable and sustainable accommodation (Chartered Institute of Housing 2018).

4.6 Without an effective cross-departmental approach to preventing and tackling homelessness, there is the risk that local government will be forced to pick up the tab for the policy decisions from other government departments, such as the DWP, Ministry of Justice and Department for Health and Social Care.

4.7 Similarly, the work that councils do in a wide range of preventative and early intervention activities should be recognised. The spending review should take into account the potential benefits and savings of properly resourced council services, such as homelessness prevention, youth services and diversionary activities, community mental health and substance use services, and child and adult social care.

April 2019