



# Spending Review Submission 2015

## Homeless Link

### Introduction

Homeless Link is the national membership charity supporting and representing organisations working directly with people who become homeless in England. With over 500 members, we work to make homelessness services better and campaign for policy change that will help end homelessness. Through this work we aim to end homelessness in England.

A sustainable home and a job is the best route out of homelessness, and people who are homeless may need a range of support to help them achieve this - improving poor health, overcoming substance use, and moving on from offending. This is why each year a range of homelessness services play a critical role in recovery, helping thousands of people leave homelessness behind and preventing many more losing their homes in the first place. An adequate safety net for those not yet able to work is also essential to prevent them falling into crisis.

While the Government wishes to reduce public spending, choosing to disinvest in services and support for people who would otherwise cost much more to the public purse in the long term won't achieve desired financial benefits or make our society a fairer and healthier place to live. The Government has already acknowledged the far reaching financial cost that homelessness has across departmental budgets, including the Department of Health, Work & Pensions, Ministry of Justice and Department of Education.<sup>1</sup> To ensure that we limit this damage, it is critical that all steps are taken to protect investment in the solutions that we know can help prevent and tackle homelessness.

There are also considerable opportunities for the homelessness sector to achieve other priorities for the next spending period: driving up efficiency, promoting innovation and collaboration across the public sector. The costs of homelessness impacts many areas of public spending and there is significant potential to increase the savings the sector already achieves, through more targeted use of investment and building on existing initiatives which have been shown to save money and improve lives.

### 1. Invest in support that prevents and alleviates homelessness

The prevention and alleviation of homelessness delivers cost savings to public service budgets and better outcomes for vulnerable people.

Homelessness services provide invaluable and personalised support to thousands of people who need this each year. This includes advice, employment support, support with personal and health issues including mental health and substance misuse, accommodation, resettlement and outreach services. Across England there are at least 1,253 accommodation and 208 day centre services providing this support and saving the taxpayer money:

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<sup>1</sup> Evidence Review of the costs of homelessness, DCLG, 2012  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7596/2200485.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7596/2200485.pdf)

- The most comprehensive evaluation of housing-related support services estimated that £1.6 billion investment generated net savings of £3.4 billion to public spending.<sup>2</sup>
- Preventing homelessness is far more cost effective than dealing with it once it has occurred. The minimum cost saving of preventing someone's homelessness compared to accepting a homelessness duty is between £1,300 and £7,700.<sup>3</sup> If somebody ends up street homeless the costs are even greater: it is estimated that one person sleeping rough costs between £8,605 and £35,000 a year in crime, emergency health and social care services alone.<sup>4</sup>

Over the last Spending Review period, the Government has recognised the value of services that prevent and tackle homelessness, and invested £500 million to help local authorities and voluntary sector partners prevent and tackle homelessness, rough sleeping and repossessions.

Housing-related support and the homelessness prevention grant have been key components of investment in the homelessness sector to date:

- Housing-related support has funded services that enable people to live more independently, preventing the need for more costly residential services and improving outcomes for people in areas such as health, wellbeing and employment.
- The homelessness prevention grant has provided over £1 billion over the past 10 years to Local Authorities across England, with each receiving a minimum of £50,000 per year during that period. This grant funds a critical part of each local area's homelessness prevention toolkit and other front line services - enabling families and individuals to avoid homelessness.

This investment limits the long term damage homelessness has on individuals and our communities, preventing heavier use of acute services and enabling people to recover more quickly from the problems which might have led to them becoming homeless. This includes help to find and keep a job. In 2014, over a third of people (34%) using accommodation projects were engaged in education or training, compared to 23% in the previous year. There was also an increase in people gaining employment from 10% to 14% over the same period.<sup>5</sup>

However, the localisation of this funding with no ring-fence has led to varied levels of money being committed to tackle single homelessness at a local level, with disproportionate reductions passed on in many areas.

- The National Audit Office (NAO) found spending on the Supporting People programme, housing support and advice for vulnerable people had fallen, on average, by 45% between 2010-11 and 2013-14.
- Since 2010, 133 homelessness projects have closed, and there are 4,000 fewer bed spaces.
- The Government recognises homelessness prevention is cost effective: yet 40% of Local Authorities report they have inadequate tools to prevent homelessness in their area.<sup>6</sup>

Yet as disinvestment continues, all measures of homelessness show rising demand and need:

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<sup>2</sup> Capgemini for Communities and Local Government (2009) Research into the financial benefits of the Supporting People Programme

<sup>3</sup> 'Value for money in housing options and homelessness services', Shelter and Acclaim consulting, 2010

<sup>4</sup> Evidence from New Economy Manchester Unit Cost Database and a study of Cambridge rough sleepers and analysis of Supporting People.

<sup>5</sup> Support for Single Homeless People in England, Annual Review, Homeless Link, 2015.

<sup>6</sup> Young and Homeless, Homeless Link 2015.

- Statutory homeless acceptances have increased by 41% since 2010.<sup>7</sup>
- Nationally, rough sleeping has increased by **55% since 2010**. In London rough sleeping has increased by 39% from 2010/11 to 2013/14. In the first 3 months of 2015 alone, 2775 people were recorded as sleeping rough in London, an 11% increase on the same period in 2014.<sup>8</sup>
- There are more households in temporary accommodation, reflecting the increase in statutory homeless acceptances and the lack of affordable longer-term homes to move households into. As of 31st June 2015 there were **64,710 households in temporary accommodation**, a 26% increase from the same period in 2010 (51,310).<sup>9</sup>

The Spending Review 2015 outlines its ambition to get the best from taxpayers' money. To prevent further increases in homelessness and the costs that will come with it, the Government must protect spending in vital services and give Local Authorities adequate resources with which to tackle homelessness locally. This should include the resources to put in place a rapid response to rough sleeping, for example, the continued roll out of No Second Night Out, as well as the longer term services and support which people may need to ensure a permanent move away from homelessness.

### **We ask the Government to:**

- a) Invest in support to prevent and tackle homelessness. The Ministerial Working Group on Homelessness brings together a range of Government Departments, recognising that responsibility for homelessness does not sit only with the Department for Communities and Local Government. However, there are ongoing issues with siloed Departmental working, policy making and investment. The Government needs to retain funding for single homelessness and housing-related support, but should look to the next spending review period to maximise potential for cross-Government working and pooled budgets and to develop a new framework to guide outcomes which can be achieved locally.
- b) Retain the Homelessness Prevention Grant at its current level, and as an identifiable amount within the Business Rates Retention Grant. Preventing homelessness before it becomes a chronic problem is more cost effective, and Local Authorities need adequate resource to put in place measures to achieve this.
- c) Invest and support the development of innovative accommodation solutions for people experiencing homelessness, building on previous cross departmental investment programmes, such as the Homeless Change Programme, Platform for Life and Hospital Discharge. This should go beyond hostel provision and build on the evidence of what works, such as Housing First<sup>10</sup> and low cost shared accommodation.<sup>11</sup>
- d) Commit to the goal of ending rough sleeping and to retain, develop and invest in services to ensure the goal is achieved and to continue driving the implementation of No Second Night Out across the country.
- e) Continue to fund StreetLink, the national referral line which connects people who sleep rough to local services and enables local areas to put in place more efficient responses to rough sleeping. Since the service started in December 2012, over **30,000** people have been referred which has led to over **13,500** positive outcomes and **2,545** cases where people has been helped into accommodation.

<sup>7</sup> Department of Communities and Local Government homelessness statistics. From Q1 in 2010 to Q1 in 2015, acceptances increased by 41%

<sup>8</sup> CHAIN, St Mungo's Broadway

<sup>9</sup> Department of Communities and Local Government homelessness statistics

<sup>10</sup> An evaluation of nine English Pilots, York University, 2015

<sup>11</sup> For example evidence from the DCLG funded 'Sharing Solutions Programme', delivered by Crisis which supported pilot schemes in a wide range of housing markets to deliver decent and sustainable shared accommodation in the private rented sector.

## 2. Fund a welfare system which covers housing costs for the most vulnerable

The Government has already made clear its plans to further reduce the cost of the welfare bill and make savings of £12bn a year. A number of the reductions already announced will freeze, or reduce, the level of Housing Benefit households receive.

However only firm action to manage and reduce rising rent levels, particularly in the private rented sector, and increase housing supply will lower the Housing Benefit bill. Without this, reducing Housing Benefit levels makes housing more unaffordable in high cost areas. It risks pushing people further into poverty and potentially further away from the networks they need to play an active role in the labour market.

Housing Benefit is designed to help cover housing costs of those who are vulnerable and have inadequate income levels to pay for accommodation. It plays a unique role within the benefit system in preventing people from becoming homeless and helping those experiencing homelessness escape it.

For some people it is needed to supplement their income for a short period during a time of difficulty. For others the benefit is needed for a longer period of time to help them obtain and keep accommodation. This is increasingly the case amongst people in low-paid employment. The proportion of working households who are claiming housing benefit doubled from 11% in November 2008 to 22.5% in May 2014. This shows that people need assistance with their housing costs on top of their earnings.

The erosion of Housing Benefit rates is putting more people at risk of homelessness, which is costly in the longer term. The reliance on Discretionary Housing Payments and other funds, such as the Targeted Affordability Fund, highlights the shortfall many local areas experience between housing benefit levels and local market rates.

Current evidence points to the increased costs of rents and the shortfall between this and the levels of Housing Benefit:

- The rate of Housing Benefit provided to those in the private rented sector does not reflect the true cost of accommodation. This is particularly true for the rates of Housing Benefit available to those affected by the Shared Accommodation Rate (SAR) which in many areas does not cover the true cost of local market rents. This is reflected by the fact that in 2015-16 a third of Shared Accommodation Rate recipients are covered by the Targeted Affordability Fund (64 of 193 rates). This compares, for example, to just 14 per cent of one-bed rates supplemented by the Targeted Affordability Fund (27 of 193 rates).
- Despite the changes made to Local Housing Allowance rates since 2010 leading to a reduction in average awards there is no evidence that rents are falling. This means that fewer properties are available to clients on Housing Benefit. This is leading to problems in addressing people's homelessness.
- Currently, a quarter of single people living in homelessness accommodation services are ready to move on to more independent accommodation but are unable to. In London, where we believe the rental/ Local Housing Allowance dichotomy is most severe, this increases to 36%.
- In 2014/15 Local Authorities' expenditure of DHP represented 100% of their DHP allocation. While there was an underspend of £6.9m this is almost matched by an overspend by some Local Authorities of £6.3m.<sup>12</sup> Overall this shows the demand for DHP to meet the ongoing shortfall created by reductions elsewhere to Housing Benefit changes. With further reductions to Local Housing Allowance and the overall benefit cap, it follows that the need for DHP will increase.

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<sup>12</sup> Use of Discretionary Housing Payments, analysis from end of year returns from Local Authorities April 2014-March 2015

There are in addition particular considerations to ensure Housing Benefit adequately covers the cost of supported accommodation. The DWP and DCLG are currently undertaking a review of the scale and costs of supported accommodation to inform future spending and policy decisions, stating that *'establishing a robust evidence base on the supported accommodation sector will be essential to ensuring that tenants of such dwellings are protected from the unintended consequences of welfare reform and establish a baseline for the proportion funded by Housing Benefit (HB)'*. Future allocation of Housing Benefit will need to consider this evidence base.

It also needs to consider the true costs of running supported housing which tend to cover a much wider range of housing management activities than in general needs social housing. These higher rents reflect the additional costs of ensuring that the often vulnerable tenants living in this type of housing are safe and secure. These rents are agreed with the Homes and Communities Agencies and local Housing Benefit team.

Because of the need to charge a higher level of rent to provide this service, the impact of the proposed 1% annual rent reduction, as set out in the Welfare Reform and Work Bill, is more severe on supported housing and so will have more far-reaching consequences.

While we recognise the Government has ambitions to keep welfare spending under control, it is vital it prevents any further reductions to Departmental spending being passed onto the already very limited housing options available to the most vulnerable. It is vital that investment in supported accommodation is protected, otherwise there will be greater costs to the taxpayer in the long term.

### **We ask the Government to:**

- f) Tackle the structural causes of the increasing Housing Benefit bill, including tackling high and rising rental costs and low pay.
- g) Invest in Discretionary Housing Payment to adequately cover current needs created by transition from existing welfare changes, and in addition those projected as a result of future reductions announced in the July 2015 Budget. This should include adequate allocation for rent in advance to ensure DHP is used to fund more sustainable housing options.
- h) Review the Shared Accommodation Rate to reflect the reality of renting from the private sector, particularly in London and high cost areas elsewhere in England.
- i) Allocate an enhanced Targeted Affordability Fund in view of the proposal to freeze Local Housing Allowance rates for the next four years. We recommend a fuller review and consultation is undertaken of current spend and allocation which takes into account both broad rental local market areas (BRMA) as well as the number of claimants in each BRMA.
- j) Commit to develop a long term, cross-government strategy for the provision of and funding of supported accommodation. This should follow from the DWP/DCLG review currently being undertaken and for which findings are not yet available.
- k) Exempt specified accommodation from the proposed 1% rent reduction by registered social providers. The rationale of treating supported housing separately from other social housing has already been recognised in the proactive decision by Government to keep housing costs for Specified Accommodation out of Universal Credit and Benefit Cap calculations.<sup>13</sup>

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<sup>13</sup> Specified accommodation is a status which came into law in 2014 through the Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014 (SI2014 No. 771) which were laid before Parliament on 20 March 2014. It essentially defines specified accommodation as not-for-profit accommodation where care, support or supervision is provided. As a definition, it covers most, but not all, supported housing

### 3. Retain funding for Local Welfare Assistance

Local Welfare Assistance (LWA) has proved invaluable for homeless people in periods of crisis and to aid their transition into independent accommodation. Because people who are homeless are likely to be amongst those with the least stability and access to other resources LWA is particularly important for them.

Spending in Local Welfare Assistance has already been drastically reduced over the previous spending period.

Following the Autumn Statement in 2014, the £174m which had been allocated to local authorities to run these Local Welfare Assistance Schemes was due to disappear. Councils were told that they would have to find any funding for future schemes from other budgets. As they were already facing unprecedented financial reductions, 75% of upper tier councils said this would have led to them significantly scaling down their schemes, with a further 15% saying they would be scrapped altogether.<sup>14</sup>

£74 million was subsequently allocated *“to recognise that councils have asked for additional support, including to help them respond to local welfare needs.”*<sup>15</sup> However, evidence suggests the extent to which this meets local need is mixed. Should this be reduced further or be withdrawn altogether, Local Authorities are unlikely to be able to fund this themselves given the other savings they are being asked to make by Central Government.

Compared to other spending allocations, LWA does not represent a significant part of the Departmental budget. Yet we would argue it more than recompenses the public purse through saving money in other areas of public spending, such as costlier uptake of benefits, and homelessness. It provides a critical source of funding and in-kind support to help people in times of crisis but also to bridge short term gaps in income, and support people when resettling into their own accommodation.

#### **We ask the Government to:**

- l) Retain as a minimum the current central allocation of Local Welfare Assistance. We would urge however that the amount provided to Local Authorities is fully re-considered and increased in line with inflation and in response to evidence of the savings it creates elsewhere to the public purse.

### 4. Increase the supply of low cost housing

The Government has taken some steps to address the shortage of housing, but this is not enough to provide the number and type of low cost homes we need.

We welcome the Conservative Party pledge to build 275,000 affordable homes by 2020. However, with “affordable” rents set at up to 80% of market rate, this is unlikely to be within financial reach of the poorest. Evidence points to how this lack of housing is resulting in a housing market which is highly precarious and limited for those on low incomes:

- The cost of owning a home has increased by 70% in the last decade, and the costs of renting a home privately have risen 37% in the past five years. Private rents are forecast to rise by 90% by 2040, more than twice as fast as income.<sup>16</sup>

<sup>14</sup> Survey of upper tier councils by the LGA 2014

<http://www.local.gov.uk/documents/10180/5854661/Local+Welfare+Assistance+-+Autumn+Statement+2014+supp/3133c88e-c393-42d7-bd3e-3549b436c9b1>

<sup>15</sup> <https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2015-to-2016>

<sup>16</sup> What will the Housing Market look like in 2040?, Joseph Rowntree Foundation (2014)

- The “affordable rent” model has not reflected adequately these changing costs, so for many on low incomes housing rental costs are beyond their means, putting them at risk of homelessness.
- Nearly a third of people in hostels are ready to move on, but often end up stuck in hostels as there is no available, affordable accommodation to move them on to.<sup>17</sup> Addressing the supply of housing is crucial to ensure we have sustainable, truly affordable (i.e. at sub-market level rents) housing across all tenures (home ownership, private rented and social housing) and to enable people to move on from expensive, publicly funded temporary accommodation.
- The Government’s own statistics show more people than ever are becoming homeless when they lose their private tenancies. This has increased from 15% in 2011 to 29% in 2015. In London it is even higher (39%). These figures underline the increasing insecurity of private rented housing and the lack of action to prevent tenancy loss leading to homelessness.

It is critical that we continue to invest in housing which is affordable to households on low income. The affordable housing grant is key to achieving this: upfront public investment stimulates building and helps leverage investment from private sources. The Government also needs to give Local Authorities and Housing Associations the freedom and flexibility they need to get the best value and access to and allocations of public land.

### **We ask the Government to:**

Provide the homes we need. The Spending Review should make greater provision to increase the supply of low cost homes.

- m) Increase the supply of affordable housing including committing upfront grant funding for affordable housing to kick start new house building. The Spending Review needs to include a commitment to the affordable housing programme beyond the £2.9bn currently allocated from 2015-18.
- n) Provide grant support for the provision of “truly” affordable housing with rents at sub-market levels and affordable to those on low incomes.
- o) Allow responsible local authorities to borrow more, lifting the overall cap by £7bn from the current £2.8bn. We need to support their ability to borrow and raise money for long-term development.
- p) Continue the commitment to the Decent Homes Programme to bring existing social housing up to a minimum standard of decency. £160 million has been allocated for 2015 to 2016 but provision should be included for the next spending period. Despite investment to date the number of substandard homes has increased, with 1.3 million people now living in accommodation which falls below the Decent Homes Standard in 2013.<sup>18</sup> This equates to 30 per cent of private rented sector dwellings.<sup>19</sup>
- q) New capital investment for developing innovative and different forms of shared / collective ownership of property, e.g. including self-build, cooperative housing, community land trusts, etc., that would enable local communities to develop solutions of genuinely affordable housing.
- r) Ensure local authority housing strategies include an assessment of what housing is required now and in the future for the needs of the population, and resources to be allocated to achieve it.

## **5. A national programme for people with multiple needs**

A key priority for this Spending Review is to support “*innovation and greater collaboration in public services*”. There are few areas where this is more necessary than around services for

<sup>17</sup> Support for Single Homeless People in England, Annual Review, Homeless Link (2015)

<sup>18</sup> English Housing Survey 2013-14

<sup>19</sup> English Housing Survey 2013-14

people with multiple needs: those who experience several problems at the same time, such as homelessness, mental ill health, drug and alcohol misuse, offending and family breakdown. These individuals have ineffective contact with public services, and often live chaotic lives.

Homeless Link is a member of Making Every Adult Matter (MEAM), a coalition alongside Clinks and Mind, formed to improve policy and services for people facing multiple needs. We believe there is a case for a national programme focused on supporting these individuals, which we have already set out in a briefing published jointly with the Gulbenkian Foundation.<sup>20</sup>

Through MEAM, we work with local areas across England who are seeking to provide better support to the 58,000 people in England who face overlapping problems of homelessness, substance misuse and contact with the Criminal Justice System in any one year. Based on independent research, we estimate the total cost of public spending on this group to fall between £1.1bn and £2.2bn a year.<sup>21</sup> A body of evidence now exists identifying that targeted interventions can realise significant savings against criminal justice and health expenditure, and more importantly transform the lives of these individuals.

While some local areas are making progress on better-coordinated interventions, the present national policy environment (defined by funding, outcomes and accountability channels) does not encourage this, instead promoting a culture of siloed working on specific issues within organisational and sector boundaries. This is not sustainable.

The fiscal context around this Spending Review will demand difficult decisions concerning services that people with multiple needs rely on. These decisions will affect the 58,000 people we have identified most heavily, as they are the group most likely to depend on a range of services.

### **We ask the Government to:**

- s) Invest in a national focus on individuals with multiple needs, which would incentivise local areas to improve the support they provide to the 58,000 people identified above. In a joint representation to the Spending Review, the Making Every Adult Matter (MEAM) coalition has set out a detailed case for how a national programme could be designed, implemented and evaluated, providing detailed evidence on projected cost savings and proposals for structure and funding. We fully support these recommendations and ask that they be implemented.

## **6. A thriving sector to help achieve the ambitions of the next Spending Review**

We ask that the Government recognises the contribution that homelessness agencies can play in achieving many of the ambitions for the next Spending Review period. With more targeted investment, we believe this contribution can be even greater.

### **Promoting innovation and driving efficiency**

This Spending Review aims to '*promote innovation and greater collaboration in public services*'; and '*drive efficiency and value for money across the public sector*'. The homelessness sector has a track record of innovation and delivering efficiencies across a range of public services. There is an opportunity to build on this success to secure longer

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<sup>20</sup> Calouste Gulbenkian Foundation and Making Every Adult Matter (2015), [Individuals with multiple needs: the case for a national focus](#)

<sup>21</sup> *Ibid.*, p. 7

term savings and improvements for individuals and cross-Departmental spending. Some of these examples include:

- Integrating services between hospital and the home: this Spending Review aims ‘to continue to join up services from hospital to home’ in line with its wider ambitions to integrate health and social care across the next spending period. Homelessness services have demonstrated success in this area already, through piloting new approaches to improve outcomes for people leaving hospital while homeless, as part of the Department of Health’s £10m investment programme in 2014 which was evaluated by Homeless Link.<sup>22</sup>
- Piloting new investment programmes: the homelessness sector is participating in a number of new delivery models with promising results about how this can transform the way people engage with public services. While still being evaluated, early signs from approaches including the Fair Chance Fund<sup>23</sup> and Social Impact Bond for people sleeping rough in London show how work undertaken in the homelessness sector, to redesign the ‘offer’ around the needs of the individual, has resulted in better housing, health and employment outcomes.
- Delivering value to other areas of public spending: despite only receiving 4% of funding from the NHS, the homelessness sector achieves considerable savings to the health budget through helping people access services more efficiently and supporting people on a daily basis to better manage and address their health problems. The potential for efficiencies and demand reduction for higher cost services are, therefore, considerable, and homelessness services have shown the scope there is for this through piloting new approaches, including the Better Care Fund<sup>24</sup> and Making Every Adult Matter.<sup>25</sup> The homelessness sector also makes considerable savings to other publicly funded mainstream programmes, such as the Work Programme, by supporting people to participate more effectively. We believe these savings could be even greater if such funding was targeted more effectively around the needs of homeless and vulnerable groups.

### **Achieving ambitions around employment**

The Government has prioritised employment and growth for the next Spending Review period. Many people who are homeless want to work and a sustainable job is an effective route out of homelessness.

Yet programmes which have sought to help people back into work have so far failed the most vulnerable. In introducing a cross-party report on the Work Programme the previous Work and Pensions Committee Chair, Dame Anne Begg said: “*The Work Programme has proved much less successful to date in addressing the problems faced by jobseekers who face more serious obstacles to finding a job – people with disabilities, homeless people, and those with a history of drug or alcohol abuse.*”<sup>26</sup>

These comments reflect findings of research undertaken by Homeless Link, St Mungo’s Broadway and Crisis in their report “*The Programme’s Not Working – Experiences of*

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<sup>22</sup> *Evaluation of the homeless hospital discharge programme*, Homeless Link 2015

<sup>23</sup> The Fair Chance Fund is designed to achieve sustained housing, employment and educational support for homeless 18 to 24 year olds is showing early signs about the savings it will achieve to other budgets (crime, unemployment, health).

<sup>24</sup> A number of areas are using Better Care funding to re-design services for people experiencing homelessness, including Brighton who are delivering an integrated model of care for people who are ‘frail’ which includes ‘people who have complex needs such as mental health needs and people who are homeless.

<sup>25</sup> Through providing better co-ordinated local services across the health, housing, and criminal justice sectors, an independent evaluation of Making Every Adult Matter pilots found they achieved savings of up to 26% (£958 per client, per month) across local spending. *Evaluation of the MEAM pilots*, FTI Consulting, Compass Lexecon and Pro Bono Economics (2014)

<sup>26</sup> <http://www.independent.co.uk/news/uk/politics/work-programme-is-giving-least-help-to-worst-off-and-failing-single-parents-8624648.html>

*homeless people on the Work Programme*". This identified a number of deficiencies which needed to be addressed urgently if the Work Programme is to function well for people experiencing homelessness. These include better assessments, more tailored specialist support and proportionate conditionality.

The Government has pledged to end youth unemployment partly by ensuring all 18-21 year olds are either "earning" or "learning". The Youth Obligation, from April 2017, pledges more intensive support from Day One of a young person's Universal Credit claim, followed by the potential requirement to participate in some form of mandatory work-related activity after six months of unemployment.

We believe for these initiatives to be successful there needs to be sufficient investment in ensuring that the support given to homeless young people is of high-quality and tailored to their genuine needs of individuals. The Government must ensure sufficient resources are placed in apprenticeships, training or work placements which realistically move people closer to the labour market. Our sanctions research has shown that generic approaches often do not work for people who are homeless and can be counter-productive.<sup>27</sup> This is reinforced by evidence of poor outcomes for vulnerable people participating in the Work Programme.

### **Contribution to Devolution**

The Government has also announced ambitions for significant devolution of powers to local areas in England. This will require a radical re-think in the way services across a number of public spending areas are commissioned.

This shift will present many opportunities for efficiencies in the way people interact with services, and to reduce demand on the more acute end of spending (e.g. A&E, criminal justice sector, rough sleeping). However, such a shift also risks overlooking the most vulnerable. We have learnt from the experience of increased localism that investment can be diverted away from population groups who do not have statutory protection, and who are also among the least popular locally – such as single people who are homeless or sleeping rough.<sup>28</sup> It is critical that plans for devolution maximise the opportunities to prevent and alleviate homelessness, rather than unintentionally increase it.

To maximise the benefits increased devolution can achieve for ending homelessness there is considerable value in having an independent body to broker relationships, hold devolved powers to account, and share practice between devolved administrations about what approaches work best. This is a role Homeless Link is well placed to continue to take.

In addition, Homeless Link's unique position as a membership body enables it to ensure that the homelessness sector, local authorities and commissioners are able to respond to change, and that national and local policy is informed by experience on the ground.

Homeless Link has provided infrastructure support across England for over ten years and, since 2010, has focused on assisting local authorities and the homelessness sector to come together to develop strategies to transform services to better tackle rough sleeping and homelessness. In the current climate, Homeless Link is needed more than ever to support front-line homelessness services to adapt to the new public sector reform agenda and the changing funding environment - including the Government's ambitions for social investment opportunities. Homeless Link is in an ideal position as an honest broker and trusted critical friend to provide leadership and assistance for local authorities, homelessness services and across Government Departments, so there can be a joint effort and focus on ending homelessness for good.

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<sup>27</sup> Homeless Link, A High Cost To Pay, 2013

<sup>28</sup> This was the case following the central ring-fence being removed from the Supporting People housing related support budget, despite being maintained nationally reductions of up to 80% were passed on to homelessness services locally.

**To maximise the contribution which can be made to the ambitions set out for the next Spending Review period, we ask the Government to:**

- t) Continue to support and fund the infrastructure body for the homelessness sector. We need a healthy, viable and high quality sector which can continue to be innovative, transformative and responsive to future policy change. Homeless Link is a trusted, independent and credible organisation which can continue to fulfil this role. We ask that the Government retains funding for Homeless Link, as the infrastructure body and backbone to enable the voluntary sector and local authorities to flourish, and to encourage and enable joint working, locally and nationally, to make progress in ending homelessness.
- u) Better target existing funding for employment and skills programmes and support so that it reaches those most in need of help with developing skills and finding and keeping a job. The Government is already investing substantial funds for improving skills through the £3.7 billion distributed annually by the Skills Funding Agency and through the Work Programme. We believe more targeted programmes, designed and delivered around the needs of people experiencing homelessness, will increase the number who can get into work and maximise the value of this investment.<sup>29</sup> This should include adequate investment in high quality services to provide people with support who are involved in the requirements of the Youth Obligation.

### **Concluding remarks**

While in the short term it may seem that cuts to homelessness services will save money, we urge the Government to take a longer term view and to accept the case that continued investment in these services will result in cost savings over time.

Losing services, capacity and expertise from homelessness services will have a major negative impact, with the result that homelessness and rough sleeping will increase, leading to higher costs to Government in the long term. This Spending Review offers an opportunity to protect this investment and target existing funding more effectively to help achieve the ambitions of the Government in this next Spending Review period.

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<sup>29</sup> See Supporting Homeless people into Work: recommendations for the future of Government-led employment support, Homeless Link, Crisis, St Mungo's Broadway and ERSA, July 2015  
<http://www.homeless.org.uk/connect/blogs/2015/jul/14/supporting-people-into-work-new-recommendations-for-government>