The national membership charity for frontline homelessness services.

Debate Briefing: Adequacy of funding to support homeless people

Debate details: Tuesday 2 December 2025 at 9:30am, Westminster Hall

This is a briefing for the debate 'Adequacy of funding to support homeless people,' provided by Homeless Link, the National Membership charity for frontline homelessness services.

Our briefing is split into three sections:

1. The Homelessness Funding System
2. Supported Accommodation Regulation
3. Making the argument to Treasury

1. The Homelessness Funding System

The current crisis

The 2024 Annual Rough Sleeping Snapshot recorded **4,667 people sleeping rough, just 2% away from the highest number on record.**

Monthly estimates from the Rough Sleeping Data framework suggest that **numbers are still growing**, with a 5% increase from June 2024 to June 2025 figures. It's therefore likely that the next annual figures will show the highest levels of recorded rough sleeping on record.

The number of households in **Temporary Accommodation (TA) has already reached its highest level ever recorded**.

But at the same time, expert support services are closing down, feeling the effects of decades of under-funding, cuts and overwhelming demand.

The latest Homeless Link data shows nearly half of services are at risk of closure. **Bedspaces in the sector have dropped by 43% since 2008.**

The Government's interventions so far have not improved these trends. We support the commitment to scaling up social housebuilding but that will take years to bear fruit.

We need the Government to act urgently to secure the system **now**, and set it up so that it can play its role in ending homelessness over the longer term.

How we fix it

1: Address the homelessness emergency and protect support services from closure

Right now, we are going backwards. Housing First and specialist Supported Accommodation places are being lost. To change course, Government needs to:

- Ensure services are resourced to deliver sufficient safe bed spaces, with associated support, all year round.
- Ensure new regulations have a low administrative and financial burden and do not unintentionally punish good providers
- Relieve pressure on services by reversing policies that drive homelessness, such as frozen Local Housing Allowance rates and the Benefit Cap.

#2 Make ending homelessness the responsibility of all Government departments

Decisions across all government departments – from health to welfare, immigration to justice – can cause or prevent homelessness. The Strategy needs to create real cross-departmental accountability:

- This should include a permanent interministerial group, chaired centrally, with shared commitment and accountability to delivery
- It should mean every Government department held to task, and every policy subject to an impact assessment to evaluate risk of unintended consequences across homelessness prevention
- It should mean non-MHCLG departments addressing the gaps in their provision that are causing and prolonging homelessness, and funding homelessness interventions that fall within their remit.
    - For example in the Department of Health and Social Care (DHSC): Homeless Link research shows that more than 80% of people experiencing homelessness have multiple health problems, and nearly 60% of people experiencing homelessness and ill health received a physical health diagnosis before becoming homeless. More people than ever before (32%) are being discharged from the hospital into street homelessness.

#3: Build a funding system that works to end homelessness.

The Treasury needs to lead in funding a homelessness system that is both sustainable and cost-effective.

This requires a full review of all spending associated with homelessness to establish true costs across Departments. For instance, the Government still does not have an accurate figure for what is spent on homelessness via DWP spend on Housing Benefit for exempt accommodation.

Ministers must then create a single ringfenced budget to prevent and end homelessness for good.

Within ten years, deliver system-wide transformation to enable a country free from homelessness.

Over the course of a 10-year Homelessness Strategy, we can put funding in the service of a system where homelessness is *brief*, *rare* and *non-recurrent*.

- **Rare:** where all public bodies take a prevention first approach, meaning homelessness is routinely prevented through universal measures like social housing and welfare, and anyone can access support to sustain their tenancy.
- **Brief:** where triage accommodation acts as a genuinely temporary step in support, meaning everyone has access to support and accommodation from day one and services collaborate to find the right housing option to prevent homelessness happening again.
- **Non-recurrent:** Where long-term accommodation and support is available that matches everyone's needs, meaning a network of housing and support scaled from low-needs to long-term care, integrated with wider health and social care support.

2. Supported Accommodation Regulations

Next Tuesday's debate is also an important opportunity to speak about the forthcoming regulation of supported accommodation.

Overview

The Supported Housing (Regulatory Oversight) Act was a Private Members' Bill introduced by Bob Blackman MP, which received Royal Assent on 28 June 2023. The objectives of the Bill – to improve and standardise the quality of supported housing for residents and drive exploitative 'rogue providers' out of the sector – are widely backed by supported housing providers.

In February 2025, the Government launched a consultation on how the Act would be implemented.

We are awaiting their formal response to the consultation.

While the regulations have the potential to be positive, in their current form there are a number of proposals that would create unintended consequences for homelessness services, and could actually increase homelessness if not addressed.

Summary of challenges

The proposals as drafted create **significant new financial and administrative burdens for providers**, many of which are already struggling to remain viable, without offering any funding to help providers comply.

This comes at a time when, even before the additional costs of robust new regulations, supported housing is in a perilous financial condition. Homeless Link's latest annual review found that 48% of homelessness accommodation providers are at risk of having to close services and 38% have already reduced capacity and support.

Without funding to help providers comply, the consequence of these proposals would be that good quality supported accommodation services will reduce their provision or close. Given the key role supported housing plays in preventing and ending homelessness, this would reduce available bedspaces and increase homelessness.

The proposals **do not address how the 'support' element of supported accommodation will be funded** in the future. The consultation was a missed opportunity to address the sector's reliance on Enhanced Housing Benefit – which cannot legally fund support – and instead fund the support that the Government plans to regulate.

There are also several proposals which are incompatible with how homelessness services operate in practice.

Our recommendations:

- Provide new funding for decent supported accommodation providers to comply with new regulations and carry out capital upgrades
- Set out a plan to fund the support element of supported housing and transition away from the sector's reliance on Enhanced Housing Benefit

- Address the sector's concerns about unworkable details of implementation and make the necessary changes to minimise the burden of compliance. See our briefing for more details.

3. Making the argument to the Treasury

It is widely understood that in addition to the human and moral arguments, failure to prevent and address homelessness leads to higher costs to the public purse over time. This includes pressures on departments such as MHCLG, the Department for Health and Social Care, the Home Office, the Ministry of Justice, and others. The following statistics and resources may support your arguments at a challenging time for the country's finances.

- Research from the National Housing Federation (NHF) found that the supported housing sector in England currently saves the public purse an estimated £3.5bn every year.
- The Government's evaluation of Housing First pilots found that funding Housing First is expected to have a benefit: cost ratio of 2:1 (based on expected benefits) and found that the pilots delivered good value for money.
- Centrepoint estimates that the total annual cost of young people being homeless amounts to £8.5billion, an average of £27,347 for each young homeless person.
- In 2015, Prof Nicholas Pleace estimated the additional public costs of one person experiencing single homelessness for a year, depending on circumstances, to be between £4,668 and £20,128.
- The Centre for Homelessness Impact have produced reports on the value for money (or otherwise) of temporary accommodation.

Want more information?

Contact Stefan Donnelly on Stefan.donnelly@homelesslink.org.uk or call 07494366848. We'll then connect you to the relevant expert within our team.