

Dear Minister Buchan,

We are writing to you from Homeless Link, the National Housing Federation, and the Local Government Association to share our serious concern at the number of county councils currently proposing to de-commission homelessness and other supported housing funding contracts due to severe financial constraints. We are aware that councils are under intense financial pressure and are looking to make savings given the impact of the pandemic and high inflation to enable them to fulfil their statutory duties. **If these councils are not provided with sufficient funding, multiple supported housing services will be forced to close at a time when homelessness is rising sharply and there are existing pressures on the supported housing sector.**

While county councils are not statutorily obliged to fund homelessness support services, more than half in England do through their commitment to reduce health inequalities, with people experiencing homelessness experiencing significantly worse physical and mental health than the average person.

These services support thousands of people to move away from homelessness each year, many of whom would otherwise be rough sleeping. **Due to the crisis in local government finances, we're currently aware of three county council proposals to de-commission homelessness support contracts, of which one has been formally approved.**

These three councils are collectively projecting a funding gap of £165m in 2024/25, which they currently have no choice but to fill through budget cuts. Forcing councils into cuts will have a long-term negative impact on the public purse, as residents are forced into expensive temporary accommodation, hospital beds, or onto the street.

If enacted, these proposals will significantly reduce homelessness provisions. For example, **in one county, five accommodation projects and a floating support service will have to close, while in another, over 160 beds for people experiencing homelessness are at risk.**

In the context of wider pressures on supported housing in terms of reduced funding and increasing regulation, this will have a detrimental impact on the availability of safe, supported housing for vulnerable people overall.

This loss of capacity will have a larger cumulative impact on people and services with implications for the public purse. Good quality supported housing has a significant positive impact on its residents' health, wellbeing and sense of social connection, and supported housing plays a critical role in reducing homelessness and relieving pressures on the social care, health, criminal justice and housing sectors - ultimately lessening demands on the public purse.

Reduction in commissioned support services **may also risk pushing out good quality housing association and VCS providers leading to an increase in poor quality, non-commissioned exempt accommodation delivered by unscrupulous landlords.**

The damage of this type of accommodation is well known with the welcomed Supported Housing (Regulatory Oversight) Act looking to regulate this market and drive out these 'rogue landlords' and therefore it would be concerning if de-commissioning of services led to an increase instead.

Alternatively, we may see an increase in unsupported accommodation that could lead to a deterioration in resident health and wellbeing that will be picked up by statutory health services.

The homelessness sector has already shrunk significantly in recent years. **Research from Homeless Link in 2022 found that the number of accommodation projects for people experiencing homelessness has fallen by 33% since 2012, with the number of bed spaces falling by 20% as a result.**

Additionally, a recent letter to the Chancellor, signed by a cross-party group of local authority leaders in England, warned that district councils will have to reduce local homelessness services without a cash injection.

Therefore, decommissioning non-statutory supported housing services could have a larger cumulative impact on people and services with implications for the public purse. Without supported housing, around 41,000 people would become homeless and another 30,000 people would be at risk of future homelessness, with a cost of over £40,000 per person per year. This is compared to the average placement cost in supported housing of £21,000 per person per year.

In the context of wider pressures on supported housing in terms of reduced funding and increasing regulation, this could have a detrimental impact on the availability of safe, supported housing for vulnerable people overall and threaten the target to end rough sleeping in England by 2024.

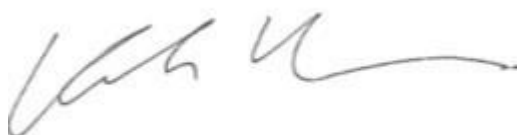
To maintain and increase the supply of supported housing, the government could ring-fence funding for housing-related support to ensure spending at least matches the £1.6bn per year allocated to local authorities in England in 2010. The government could also recommit to the £300m Housing Transformation Fund, to support the development of specialist housing and the integration of housing into health and social care systems.

We would request an urgent meeting with you to discuss this issue and solutions to maintain the capacity of the homelessness and supported housing sector at a time when it is needed more than ever.

Yours sincerely,



Rick Henderson, CEO, Homeless Link



Kate Henderson, CEO, National Housing Federation



Cllr David Fothergill, Chair, LGA Community Wellbeing Board

Co-signed:



Matt Downie MBE, CEO, Crisis



Seyi Obakin OBE, CEO, Centrepont



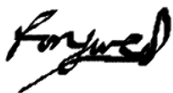
Vic Rayner OBE, CEO, National Care Forum



Gavin Smart, CEO, Chartered Institute of Housing



Mark Winstanley, CEO, Rethink Mental Illness



Rory Weal, Chair, Rural Homelessness Counts Coalition

Polly Neate CBE, CEO, Shelter

