

Committee of Public Accounts

Tackling homelessness

Fourth Report of Session 2024–25

HC 352

Committee of Public Accounts

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Summary

We are greatly concerned that homelessness levels are at their highest since records began. The latest data show that 123,000 households in England were being housed in temporary accommodation as at June 2024. Providing temporary accommodation cost local authorities over £1.6 billion in 2022–23. Data published after our evidence session suggest that the cost in 2023–24 rose to around £2.1 billion. Faced with a crisis situation, local authorities are less and less able to spend funding on homelessness prevention—even funding that is nominally intended for this purpose.

We are also alarmed that bed and breakfast (B&B) accommodation is being used routinely by local authorities as temporary accommodation. It is unacceptable that, as at June 2024, almost 6,000 households with children were being housed in a B&B, of which almost 4,000 had been there for longer than the statutory six-week limit. At the same point, some 39,000 households were occupying temporary accommodation outside their home area. Concerningly, this is increasingly common and can have a profound negative impact on lives, particularly with some being placed a long distance away from their communities, schools, work, friends and family.

All UK devolved administrations have an overarching homelessness strategy or action plan. None exists for England, even though this Committee recommended one in 2017 and despite homelessness being affected by government policy in a range of areas. With rents growing far faster than household benefit levels, we are sceptical that the impact on homelessness has been duly considered when setting Local Housing Allowance (LHA) rates. This Committee has reported before on the impact that providing asylum accommodation can have on local authorities' ability to tackle homelessness in the same area because of competition between two Government Departments inflating rents.. In a hearing on asylum accommodation in December 2024, the Home Office told us that it is committed to a joint Strategy working with the Ministry of Housing, Communities and Local Government (MHCLG) on this issue. The MHCLG, which is responsible for tackling homelessness, says the Government is committed to producing a strategy and associated metrics in 2025. Similarly, a detailed housing strategy is promised in early 2025, setting out how it will deliver 1.5 million new homes during the current parliament. This strategy is crucial, since the delivery of new housing, and especially affordable housing, has fallen short in recent years.

Supported housing can help people transition from homelessness, or may stop them from becoming homeless in the first place. Yet we have concluded before that the oversight of supported housing is insufficient, allowing some landlords to provide sub-standard housing with little support, supervision or care. Although the Supported Housing (Regulatory Oversight) Act came into force in August 2023, MHCLG has made no material progress in implementing the Act.

Introduction

The Housing Act 1996 defines someone as ‘homeless’ if there is no accommodation available for them, or if it is not reasonable for them to continue occupying the accommodation that they have. The Ministry of Housing, Communities and Local Government (MHCLG) has policy responsibility for tackling homelessness in England, and leads on implementing homelessness policies across government. It also distributes homelessness funding to local authorities, who have statutory duties to assist people who are homeless or threatened with homelessness. Local authorities also receive funding relevant to homelessness from other sources, such as the Department for Work and Pensions (DWP) and the Home Office.

Under the Homelessness Reduction Act 2017, local authorities have three types of duty:

- a prevention duty, which may involve negotiating with a landlord or family member, providing mediation, helping to reduce rent arrears, or securing alternative accommodation;
- a relief duty, which may involve helping an applicant to secure housing in the private rented sector, placing them into supported housing, or helping them bid for social housing;
- and a main duty, which involves providing those in priority need with temporary accommodation.

The latest data show that 123,000 households in England were being housed in temporary accommodation as at June 2024. In 2022–23, local authorities spent over £2.4 billion on delivering homelessness services, of which over £1.6 billion was used to provide temporary accommodation. Data published after our evidence session suggest that spending rose in 2023–24, to around £3.1 billion and £2.1 billion respectively.

Conclusions and recommendations

- 1. Local authorities are insufficiently resourced to focus on preventing households from becoming homeless.** In 2022–23, local authorities spent over £2.4 billion on delivering homelessness services, of which over £1.6 billion was used to provide temporary accommodation. Data published after our evidence session suggest that spending rose in 2023–24, and totalled around £3.1 billion and £2.1 billion respectively. Local authorities are permitted to spend Homelessness Prevention Grant funding, which was worth around £440 million in 2024–25, to discharge any of their duties under homelessness legislation. In practice, the high numbers of people already in the homelessness system mean that local authorities use a significant portion of it to fund the provision of temporary accommodation, particularly in areas of poor affordability, rather than spending it on prevention work. Temporary accommodation costs are forcing some local authorities to approach MHCLG for exceptional financial support. MHCLG says it is actively looking at ways to incentivise and support local authorities to deploy more funding into preventive rather than reactive activities. The options for doing this may include: reducing the numbers of people presenting as homeless in the first place; reducing the cost of the temporary accommodation that local authorities are procuring; and providing multi-year funding settlements, which would enable local authorities to plan their homelessness work more strategically.

RECOMMENDATION

Alongside its Treasury Minute response, MHCLG should write to the Committee with a detailed explanation of how it plans to incentivise and work with local authorities to improve their homelessness prevention activities.

- 2. It is unacceptable that B&B accommodation is being used routinely to house people rather than as a last resort.** We are alarmed at the detrimental impact that living in B&B accommodation has on people’s lives—not least on children, whose safety and wellbeing can be profoundly compromised by such living arrangements. Homelessness legislation makes it clear that B&Bs should be used only as a last resort and MHCLG recognises that it is “seriously sub-optimal”. Any local authority with more

than five families in B&Bs beyond the six-week limit is required to work with MHCLG's Homelessness Advice and Support Team (HAST) to implement a plan for eliminating its use of B&Bs. These plans focus on approaches such as better prevention of families going into B&Bs, improving management of the temporary accommodation B&B stock, and finding alternative procurement of temporary accommodation. Yet as at June 2024, due to the scarcity of alternative accommodation, almost 6,000 homeless families with children were being housed in B&Bs, and almost 4,000 of these families had been there for longer than the statutory maximum period of six weeks.

RECOMMENDATION

In its Treasury Minute response, MHCLG should set out how it intends to strengthen its use of HAST advisers in supporting local authorities to reduce their use of B&B accommodation. Alongside this MHCLG should support local authorities with high rates of temporary accommodation use to plan how to reduce their reliance on it.

- 3. Too many people's lives are disrupted by being placed in temporary accommodation outside of their local area.** For a variety of reasons, including lack of housing supply and suitability of accommodation, some local authorities struggle to place households in temporary accommodation within their local area. Over the period 2018–19 to 2023–24, the number of households placed out of area increased by 42%. As at June 2024, around 39,000 households were placed out of area. MHCLG is aware of families sometimes being placed a considerable distance away, and acknowledges that this can cause difficulties, especially for children, including challenges for their education, and social isolation affecting their support and health needs. The homelessness legislation and code of guidance state that local authorities should, as far as possible, avoid placing households out of area. MHCLG does not have the data to say exactly how far away people are living from their local authority areas. Anecdotally, it understands there are cases where local authorities are essentially “swapping” households. MHCLG is working to generate better data, and particularly to make information available to local government about where households have been placed, and who has been placed in their area. It is also considering sharing good practice and facilitating conversations between local authorities who typically place households out of area.

RECOMMENDATION

MHCLG should improve its data on out of area placements as a matter of urgency, and use the data to encourage better coordination between local authorities, to minimise the number of households placed out of area. It should also explore possible steps to incentivise councils to use local providers.

- 4. We are not convinced that, in setting Local Housing Allowance (LHA) rates, the Department for Work & Pensions (DWP) has given due consideration to the impact on homelessness.** Reforms to welfare benefits since 2011, including periodically capping and freezing LHA rates, have reduced the income households can derive from benefits in real terms. Some 45% of households now face a shortfall between the LHA they receive and the rent they pay. DWP states that it makes decisions about LHA rates in the context of other benefits and has decided to freeze LHA rates for 2025–26 at the 2024–25 level. We are concerned at the subjectivity of DWP’s judgements and that it cannot say what impact raising LHA rates would have on homelessness. Separately, local authorities pay for temporary accommodation and reclaim the costs from DWP. Given that funding is essentially based on the 2011 LHA rate, it has not kept up with local authorities’ rising temporary accommodation costs. In 2022–23, local authorities in England experienced a subsidy loss of £204.5 million, compared with £41.4 million in 2012–13 (both expressed in 2022–23 prices). DWP explains that the subsidy has never covered local authorities’ full costs, and MHCLG argues that it makes up some of the subsidy loss through its local government funding settlement, but it is unclear how an appropriate amount is decided upon.

RECOMMENDATION

Alongside the Treasury Minute response, DWP should write to the Committee setting out, in detail, its justification for the levels of LHA it has set, both for individuals and for local authorities with regard to the temporary accommodation subsidy.

- 5. Tackling homelessness has long been hampered by the absence of a joined up, cross-government approach.** Each of the UK devolved administrations has an overarching homelessness strategy or action plan. By contrast, there is no strategy or target for homelessness in England, despite this Committee having recommended in 2017 that a cross-government strategy be published. The Government agreed with this recommendation and said it would be implemented by July 2018. In the continued absence of such a strategy, the work of government departments can lack coordination. For example, there are multiple funding streams that can be used to tackle homelessness, which can be challenging for local authorities to administer. And we are dismayed to hear that local authorities looking to acquire temporary accommodation for homeless households still sometimes find that the Home Office has outbid them to accommodate asylum seekers in the area. The Home Office says it will now withdraw its interest if it hears that a local authority is seeking to acquire the same accommodation. The Government has now created an inter-ministerial group on homelessness, whose officials group is chaired by MHCLG. While it

expects to produce a strategy in 2025, we are unclear how this arrangement will achieve results that the existing cross-government boards with a remit relevant to homelessness have failed to achieve.

RECOMMENDATION

In its Treasury Minute response, MHCLG should provide the Committee with further details of how its proposed cross-government homelessness strategy will generate practical improvements, including through:

- a.** a consolidation of the funding to tackle homelessness into far fewer streams;
- b.** eliminating competition between local authorities and the Home Office for temporary accommodation; and
- c.** learning appropriate lessons from the UK devolved administrations.
- d.** implementing the exemption from the local connection or residency test for all veterans, care leavers under 25 years, and victims of domestic abuse, while mitigating the impact for other groups.

- 6. The homelessness problem is being exacerbated by a severe shortage in housing supply, and especially affordable housing.** Homes England, which is sponsored by MHCLG, fell below its central targets in 2022–23 in terms of new home starts, completions, unlocked housing capacity and households supported into home ownership. MHCLG accepts that a significant ramping-up in affordable housing supply, beyond individual strategic sites, would be needed to make a substantial impact on homelessness levels, requiring new supply in areas where homelessness pressures are particularly acute. However, it is troubling that there are so many barriers to increasing housing supply, such as problems with the viability of sites. MHCLG has committed to producing a long-term housing strategy early in 2025. It states that the strategy is likely to propose a range of actions across the supply chain, on themes including: construction sector skills, an area about which we are particularly concerned; working with developers; building up the role of SMEs in developing property; and enhancing the capacity of local planning authorities to handle cases. But frustratingly, MHCLG is unable to provide more detail about the likely content, and especially about the number of social housing units that would need to be built during the period of the strategy.

RECOMMENDATION

In its Treasury Minute response, MHCLG should provide the Committee with an update on how its proposed new housing strategy will achieve practical improvements in the delivery of new homes, and particularly affordable homes. In addition, both MHCLG and Homes England should detail why Homes England fell short of its targets for new homes in 2023–24, including affordable homes, and what steps they are taking to ensure targets for 2024–25 and beyond will be achieved.

- 7. Despite legislation designed to tackle well-established problems and gaps in regulation, MHCLG has made no progress in improving the oversight of the supported housing sector.** Supported housing can provide much-needed homes for people transitioning from homelessness, or may stop people from becoming homeless in the first place. But this Committee has previously expressed concerns that gaps in regulation mean landlords can provide costly, sub-standard housing with little support, supervision or care. The Supported Housing (Regulatory Oversight) Act came into force in August 2023. It brought forward national standards for support, and looked to give local authorities power to tackle poor quality supported housing in their area, yet by the end of 2024 the Act had not been implemented. MHCLG has applications open for membership of a supported housing advisory panel. It will be at least early 2025 before it issues a consultation on a proposed local authority licensing scheme for supported housing landlords. The consultation is likely to last for several months, after which MHCLG will need to evaluate the responses and lay the appropriate regulations, before finally implementing the scheme. We are not persuaded by MHCLG’s argument that it still cannot commit to any form of timetable for implementing the provisions of the Act.

RECOMMENDATION

MHCLG should implement the provisions of the Supported Housing (Regulatory Oversight) Act as quickly as possible, and provide an update on its progress in its Treasury Minute response.

1 Support for people who are homeless or threatened with homelessness

Introduction

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Work & Pensions (DWP) on the effectiveness of government in tackling homelessness.¹ We also received written submissions from a large number of interested parties, drawing attention to a range of themes including homelessness prevention, Local Housing Allowance (LHA) rates, the need for a homelessness strategy, housing supply and supported housing.
2. The Housing Act 1996 defines someone as ‘homeless’ if there is no accommodation available for them to occupy, or if it is not reasonable for them to continue occupying the accommodation that they have. MHCLG has policy responsibility for tackling homelessness and leads on implementing homelessness policies across government.²
3. MHCLG also distributes homelessness funding to local authorities, who have statutory duties to assist people who are homeless or threatened with homelessness. The Homelessness Reduction Act 2017 states that these duties are: a prevention duty, which may involve negotiating with a landlord or family member, providing mediation, helping to reduce rent arrears, or securing alternative accommodation; a relief duty, which may involve helping an applicant to secure housing in the private rented sector, placing them into supported housing, or helping them bid for social housing; and a main duty, which involves providing those in priority need with temporary accommodation, which can be shared or self-contained, and for many households entails living in a single room.³ The latest data show that 123,000 households in England were being housed in temporary

1 C&AG’s Report, [The effectiveness of government in tackling homelessness](#), Session 2024–25, HC 119, 23 July 2024

2 C&AG’s Report, para 1

3 C&AG’s Report, para 2

accommodation as at June 2024.⁴ In 2022–23, local authorities spent over £2.4 billion on delivering homelessness services, of which over £1.6 billion was used to provide temporary accommodation.⁵ Data published after our evidence session suggest that spending rose in 2023–24, and totalled around £3.1 billion and £2.1 billion respectively.⁶

4. Not having a secure home significantly affects individuals’ quality of life and imposes strain on public services, both in the short and long term. While cause and effect are difficult to disentangle, homelessness is associated with a range of vulnerabilities. For example, the health of people experiencing homelessness is significantly worse than that of the general population, and a much greater proportion of the prison population reports being homeless before custody than the wider population reports ever having been homeless. Homelessness can have a particularly detrimental effect on children, in terms of increased stress and anxiety, which can result in behavioural issues. Children who are homeless or living in poor housing may miss school, arrive at school hungry, or be tired during the school day due to inadequate sleep.⁷

Homelessness prevention

5. The Homelessness Reduction Act 2017 allowed greater numbers of people to access homelessness services. More people became eligible to receive support, and local authorities were required to focus more on preventing homelessness and ensuring personalised support for applicants’ needs. MHCLG considered that the increased focus on homelessness prevention should reduce the number of households that local authorities needed to place in temporary accommodation.⁸
6. MHCLG provides Homelessness Prevention Grant funding to local authorities in England, to support them to deliver homelessness services. Despite its name, the grant provides ringfenced funding for local authorities to use on any of their duties under homelessness legislation. Local authorities were due to receive around £440 million from this grant in 2024–25. In practice, a significant portion of the funding is being used to fund the provision of temporary accommodation, particularly in areas of poor affordability, rather than being spent on prevention work.⁹

4 Q 1

5 C&AG’s Report, paras 1.24, 1.25

6 Ministry of Housing, Communities and Local Government, [Local authority revenue expenditure and financing England: 2023 to 2024 – second release](#), December 2024

7 C&AG’s Report, para 3

8 C&AG’s Report, paras 3.2, 3.3

9 Q 25; C&AG’s Report, para 3.9 and Figure 8

7. We asked MHCLG why local authorities were spending a decreasing proportion of their Homelessness Prevention Grant funding on prevention work. It explained that, since local authorities have a statutory duty to provide temporary accommodation to all households in priority need, recent rises in the number of these households had forced local authorities to spend more on temporary accommodation.¹⁰ The situation was sufficiently serious that a number of local authorities, such as Eastbourne, had been forced to approach MHCLG for exceptional financial support.¹¹
8. In its written submission, the Shared Health Foundation emphasised that, aside from plans to build more houses, national prevention strategies for all forms of homelessness remain limited. It claimed that many families facing homelessness are told by local authorities to wait until their eviction date before being provided with emergency support, because of a lack of viable preventive measures.¹²
9. MHCLG told us that it was actively looking at ways to incentivise and support local government to move more funding into preventive rather than reactive activity.¹³ We pressed MHCLG on how it might achieve this. It explained that local authorities have different strategies—for example, in terms of intervening in the housing market or working with other agencies. While MHCLG said it would not pre-empt Ministerial decisions to come, it did refer to its work to spread best practice on procuring temporary accommodation between local authorities and confirmed it would do more to consider and share different authorities’ strategies for preventing homelessness.¹⁴
10. MHCLG explained that a £230 million increase in allocations for homelessness in the autumn 2024 budget, including uplifts in the Homelessness Prevention Grant, and an improved wider local government finance settlement, should help local authorities to do more preventive work. It also summarised a number of other actions that might give local authorities the breathing space to do this, including: reducing the number of households presenting as homeless in the first place, which would depend on a systemic set of changes including addressing the scarcity of housing; reducing the cost of temporary accommodation that local authorities procure; and providing multi-year funding settlements, which would enable local authorities to plan better and potentially acquire temporary accommodation more cheaply.¹⁵

10 Q 76

11 Qq 22, 27

12 [TH0002](#)

13 Q 26

14 Q 78

15 Qq 24, 38, 78-80

The use of B&Bs as temporary accommodation

11. There are particular concerns about the use of B&Bs as temporary accommodation, regarding the suitability of the environment and location, safeguarding in mixed settings, and a lack of support from wider public services. Children in B&Bs often face particular challenges, such as not having the space for their physical development, and going to school hungry since B&Bs are often not equipped with suitable cooking facilities.¹⁶
12. Reflecting these concerns, the homelessness code of guidance states that local authorities should use B&Bs for households with children only as a last resort, and even then, for a maximum of six weeks. However, MHCLG told us that, as at June 2024, due to the shortage of alternative options, there were almost 6,000 families being housed in a B&B, of which almost 4,000 had been there for more than six weeks.¹⁷
13. MHCLG conceded that placing families in B&B accommodation is a “seriously sub-optimal” way of accommodating them. It therefore assumes that local authorities should use as little B&B accommodation as they can. However, if using B&Bs is the only way to meet statutory duties, MHCLG considers that it is value for money for local authorities to do so rather than not provide any temporary accommodation.¹⁸
14. We challenged MHCLG about what it is doing to help local authorities reduce their reliance on B&Bs. It explained that it had added a condition to the Homelessness Prevention Grant, so that it now requires any local authority with more than five families in B&B accommodation over the statutory six-week limit to work with MHCLG to agree a B&B elimination plan. Each plan, which is overseen by MHCLG’s Homelessness Advice and Support Team (HAST), is intended to address the particular challenges that are leading to the use of B&Bs in that area. Plans focus on matters such as preventing families from going into B&Bs, improving the management of the temporary accommodation B&B stock, and finding alternative procurement of temporary accommodation.¹⁹
15. We asked MHCLG how successfully HAST was supporting local authorities to move away from B&B use. It told us that advisers are based in MHCLG offices all around the country, but they generally spend their time working alongside local authorities. HAST reviews information on B&B use quarterly and carries out in-depth visits to local authorities if there are particular

16 Qq 19-20; C&AG’s Report, paras 1.8, 3.18

17 Qq 1, 18, 85

18 Qq 19, 21

19 Q 19

issues of concern, which may involve putting together a cross-disciplinary team. Common themes with which HAST helps local authority staff include procuring temporary accommodation and escalating issues to senior management.²⁰

Placing households in temporary accommodation outside their home area

16. For a variety of reasons, including lack of housing supply and suitability of accommodation, some local authorities struggle to place households within their local area. MHCLG acknowledges that placing households out of area can cause disruption, especially to children, including challenges for their education and social isolation affecting their health and support needs. The number of households placed out of area rose from 23,450 in Quarter 3, 2018–19 to 33,350 in Quarter 3, 2023–24, an increase of 42%. Of the households placed out of area in Quarter 3, 2023–24, around 26,380 (79%) had been placed there by a London local authority.²¹ MHCLG told us that, as at June 2024, the number of households placed out of area across the whole country had risen again, to 39,000.²²
17. We asked MHCLG how far away from their home area these families were living. It replied that it does not have the data to understand the exact figures involved, although it is aware that some families are being placed at a considerable distance. MHCLG told us that it agreed with the recommendation in the National Audit Office report that it should improve the data it holds on out of area placements. It emphasised that the homelessness legislation and code of guidance make clear local authorities should, as far as possible, avoid placing households out of area.²³
18. We enquired whether some local authorities were effectively “swapping” households with other local authorities. MHCLG replied that it received a lot of anecdotal evidence that this was happening, and that such an approach was clearly wrong given that it is better for people to stay as close as possible to their home. We challenged MHCLG on whether some kind of central co-ordination was required to prevent this swapping of households from taking place. It replied that it was cautious of too much central government involvement in the statutory responsibilities of local government, but that it would look at ways in which it might encourage local authorities to work better together.²⁴

20 Q 87

21 C&AG’s Report, paras 3, 1.21

22 Q 1

23 Q 39; C&AG’s Report, para 21

24 Qq 41-42

19. MHCLG accepted that this is an area where it needs stronger and more transparent data. We asked if this was something that MHCLG’s homelessness case level information collection (H-CLIC) dataset could help with. It explained that, while joining up data from across local authorities was hard, and the relatively small number of people involved presented some data protection considerations, work was under way to improve the information available to local government about where households are being placed. MHCLG also suggested that it might better share good practice and facilitate conversations between local authorities, especially where it examines the data and identifies issues with out of area placements.²⁵

Setting Local Housing Allowance rates

20. The LHA sets the maximum amount of housing support that claimants of housing benefit and universal credit can usually receive, to help with housing costs in the private rented sector.²⁶ Since 2011, DWP has introduced welfare reforms designed to reduce overall welfare spending and incentivise benefit recipients to take up employment. These reforms, including periodically capping and freezing LHA rates, have reduced the income that households can derive from benefits in real terms. At the same time, rents in the private rented sector have increased faster than wage growth and LHA rates in much of the country.²⁷ DWP acknowledged that 45% of households now face a shortfall between the LHA they receive and the rent they pay.²⁸
21. We asked DWP what analysis it had done on the extent to which homelessness is impacted by LHA rates not allowing people to afford rents in their area. It explained that the decision, for example, to freeze the LHA rate again for 2025–26 was not taken in isolation. It went on to say that while increasing LHA rates would clearly have given tenants more money to pay their rents, there were other considerations. These included the interaction between LHA rates and other benefits such as universal credit, the household support fund and discretionary housing payments. But, when challenged, DWP could not tell us what the consequences would have been elsewhere in the system if ministers had decided to spend more on the LHA.²⁹
22. In its written submission, Shelter made the case for permanently linking LHA rates to the real cost of renting. It suggested that freezing the LHA rate at a time of record rent increases would trap families in homelessness and

25 Qq 39-40, 42-43

26 C&AG’s Report, para 1.10 (footnote 9)

27 C&AG’s Report, para 1.10

28 Q 32

29 Qq 33, 36, 73

make it impossible for local authorities to prevent or relieve homelessness by finding private rented homes which people on low incomes can afford.³⁰ Reapit made a similar point, citing its 2023 report which found that almost 70% of property professionals issued Section 21 eviction notices due to rent arrears, highlighting the critical link between the ability of a tenant to pay the rent and the risk of eviction.³¹

23. LHA rates also impact the amount that local authorities can reclaim as a subsidy from DWP for temporary accommodation costs. The amount that can be reclaimed depends on a number of factors, including the January 2011 LHA rate appropriate to the size of the property. Given that the subsidy is based on an historic rate rather than being aligned with local authorities' rising temporary accommodation costs, they experience a gap in funding, commonly known as 'Temporary Accommodation Subsidy loss'. This is having a significant and increasing impact on their financial pressures. In 2022–23, local authorities in England experienced a subsidy loss of £204.5 million, compared with £41.4 million in 2012–13 (both expressed in 2022–23 prices).³²
24. DWP explained that it sets the subsidy level using a rate that has never covered local authorities' full costs, to incentivise them in their procurement of temporary accommodation. MHCLG added that it considers local authorities' financial position with regard to the temporary accommodation subsidy when making decisions about the local government funding settlement, but it did not explain in any further detail how it does this.³³

30 [TH0006](#)

31 [TH0022](#)

32 C&AG's Report, paras 3.12, 3.13

33 Qq 38, 74

2 Strategic issues for government departments

Cross-government approach

- 25.** Each of the UK devolved administrations has an overarching homelessness strategy or action plan. In late 2023, the Welsh Government also issued a consultation on homelessness, including proposals such as: extending local authorities' prevention duty to six months; targeting prevention activities towards those most at risk; and improving standards relating to the suitability of accommodation. In addition, in March 2024, the Scottish Government introduced a housing bill that included new duties around homelessness prevention and strengthening tenants' rights. By contrast, there is no strategy or target for statutory homelessness in England, even though this Committee recommended this in 2017, and the Government subsequently agreed to publish a strategy by July 2018.³⁴
- 26.** Several written submissions to our inquiry suggested principles or priorities for a homelessness strategy. Crisis, for example, emphasised the need for evidence-based interventions that both support people to move on from homelessness for good and prevent it from happening in the first place.³⁵ Dr David Christie suggested that a substantial input of funds should be directed toward increasing the capacity and skill-base of the voluntary sector.³⁶ And Salford City Council called for a genuinely cross-government approach, in which bodies such as the Home Office and DWP combine to help remedy the pressures on local authorities.³⁷
- 27.** MHCLG explained that an inter-ministerial group on homelessness now exists, and it chairs the equivalent officials group. It plans to produce a cross-government strategy for tackling homelessness in 2025, which will include a number of metrics and set out the way that progress against these metrics will be measured. We challenged MHCLG on whether the inter-ministerial group will remove the need for the 15 cross-government boards

34 HM Treasury, [Government response to the Committee of Public Accounts on the Fourth to the Eleventh reports from Session 2017–19](#), Cm 9575, March 2018; C&AG's Report, paras 2.12, 2.13

35 [TH0015](#)

36 [TH0020](#)

37 [TH0021](#)

whose work is relevant to homelessness. It explained that the boards will still have a role in considering the main issues within their remit, such as asylum accommodation or mental health. But the inter-ministerial group is the place where all the work across government that is specifically focused on homelessness will come together.³⁸

- 28.** We pressed MHCLG on the poor coordination in funding for homelessness caused by the absence of a cross-government strategy. Local authorities need to understand numerous funding streams, from different government departments. MHCLG explained that its November 2024 local government funding policy statement undertook to roll together three of its funding streams for 2025–26—the Rough Sleeping Initiative, the Ex-Offenders Grant and Housing First—to sit alongside the main Homelessness Prevention Grant. It acknowledged there were too many funding streams going into local government and said that it is committed to synthesising other grant funding in the following year. More broadly, MHCLG expects the forthcoming strategy to draw on the results of the 2025 spending review in setting out how it will address homelessness for the next few years.³⁹
- 29.** In May 2024, we reported our concern at the Home Office failing to engage effectively with local authorities about the impact on local areas of its efforts to house asylum seekers.⁴⁰ In discussing homelessness, we asked MHCLG what was being done to stop situations where local authorities are looking for a hotel to house homeless households, but they are outbid by the Home Office. MHCLG accepted that, in the past, the quality of co-ordination between the Home Office and local government had fallen short of what it should be. It stated that work was ongoing to improve that coordination and a new locally-led approach was being developed which aimed to reduce competition. For example, the Home Office had decided not to use accommodation in a particular area if local government was already using it. But MHCLG also emphasised that this is a situation where there are two conflicting sets of statutory duties: local government housing people to whom it owes a homelessness duty; and the Home Office accommodating asylum seekers who would otherwise be destitute, towards whom it also has a duty. It suggested that, where there is a scarcity of accommodation, some issues are inevitable.⁴¹ A week later we took evidence from the Home Office about its accommodation arrangements for asylum seekers. We raised again the issue of it competing for accommodation with the local authority, and driving up rents. The Home Office told us that one purpose of its joint work with MHCLG was to avoid the issue of it paying higher rates than the

38 Qq 44, 45, 47-50

39 Qq 51, 57, 75; C&AG's Report, paras 3.7, 3.8 and Figure 8

40 Committee of Public Accounts, [Asylum Accommodation and UK-Rwanda partnership](#), Thirty-Fourth Report of Session 2023–24, HC 639, 29 May 2024

41 Q 46

local authority in an area with small amounts of rental accommodation, and driving up rents as result. The Home Office said it now had a commitment “that if we ever hear that a local authority is seeking to acquire a particular piece of accommodation, we withdraw our interest.”⁴²

Housing supply

30. MHCLG has suggested that a significant ramping-up in affordable housing supply, beyond individual strategic sites, would be needed to make a substantial impact on homelessness, requiring new supply in areas where homelessness pressures are particularly acute, including the South East, South West and London. However, it has also conceded that recent economic changes—including inflation, a tight labour market and material shortages—have posed a major risk to the successful delivery of new homes. This is evident in the fact that Homes England, which is sponsored by MHCLG, fell below its central targets in 2022–23 in terms of new home starts, completions, unlocked housing capacity and households supported into home ownership. When compared with 2022–23, the overall number of starts it achieved in 2023–24 fell by 4%, while the number of completions fell by 3%.⁴³
31. Many of the written submissions that we received focused on housing supply. The Chartered Institute of Housing, for example, made the case for increasing the supply of quality homes at social rents via government grant, because it would reduce overall government spending on benefits.⁴⁴ The Local Government Association suggested steps to help councils increase housing supply, including: reforming Right to Buy rules to prevent further loss of stock; allowing local government continued access to preferential borrowing rates; and combining funding from multiple national housing programmes into a single pot.⁴⁵ And Centrepoin advocated support for community housing initiatives and public-private partnerships to expand the stock of affordable rental homes.⁴⁶
32. We pressed MHCLG on the main barriers to increasing housing supply. It replied that one of the key issues is viability of sites, and that it is engaging actively with local government on the use of Section 106 money (funding that local authorities receive from developers, to pay for community and social infrastructure projects) to develop sites. It also explained that there is a need to improve planning policy and raise the percentage of the new

42 Public Accounts Committee, [Oral evidence](#): Asylum accommodation: Home Office acquisition of former HMP Northeye, HC 361, Qq 132, 133

43 Qq 64-65; C&AG’s Report, paras 2.14, 2.19, 2.20

44 [TH0031](#)

45 [TH0029](#)

46 [TH0011](#)

social housing supply to which the Government commits itself. MHCLG told us that it was already taking action with regard to housing supply—for example, through setting compulsory planning targets for local authorities; its consultation on the new national planning policy framework, which it announced in July 2024; and more recent consultations on social housing and changes to the right to buy scheme.⁴⁷

- 33.** MHCLG explained that it is committed to producing a long-term housing strategy early in 2025 that will focus on both supply and quality. It suggested that the strategy would set out a range of actions across the supply chain, on issues such as: skills; planning; working with developers; breaking down barriers to development; building up the role of SMEs; reforms to social housing; the new towns taskforce; building up the capacity of local planning authorities to work through cases faster; and the barriers holding back stalled sites. We emphasised that, even if other issues are dealt with, there is a critical need for people with the skills to actually do the building, and that MHCLG must address this in order to deliver greater numbers of houses.⁴⁸
- 34.** We asked whether the strategy would also include clear targets for the number of social housing units that would need to be built. MHCLG explained that it could not make a commitment about the content of a strategy that is ultimately for ministers to decide upon. But it suggested that ministers were committed to social housing, and stressed that money was already being directed to the affordable homes programme.⁴⁹

Oversight of the supported housing sector

- 35.** In its written submission, the National Housing Federation suggested that the Government’s plans for tackling homelessness should reflect the essential role that supported housing plays in enabling independence and providing good quality homes, appropriate to need, and reducing reliance on public services. It suggested that supported housing helps half a million people in the community, with around 75% of it delivered by housing associations. It had conducted research which found that, were it not for supported housing, 41,000 more people would be homeless and 30,000 more would be at risk of homelessness.⁵⁰
- 36.** We last reported on the supported housing sector in England in November 2023. We found that gaps in oversight and regulation allowed some landlords to make large profits while providing poor quality accommodation

47 Qq 65-67, 70

48 Qq 67-69

49 Q 71

50 [TH0007](#)

and support. We stressed that this was not a problem unique to the public sector. Some private sector supported housing complexes are also very poorly regulated, leading to potential exploitation of private sector residents by unscrupulous landlords and/or management companies. The Supported Housing (Regulatory Oversight) Act 2023, which was introduced in August 2023, brought forward national standards for support and gave local authorities power to set up licensing schemes to tackle poor quality supported housing in their area.⁵¹

- 37.** We asked MHCLG what progress it had made in implementing the Act. It replied that it would issue a consultation on the regulations and a licensing scheme for supported housing landlords early in 2025. It would seek to make the regulations following on from that consultation, and implement the scheme as soon as possible after that. MHCLG also told us that applications were open for a supported housing advisory panel.⁵²
- 38.** We suggested that the licensing schemes that local authorities were considering would turn out to be very different from each other, unless there was a clear standard to be followed. We were concerned about evidence that, in the absence of such a standard, some local authorities were already making decisions such as deciding not to continue funding charities that were doing an outstanding job in supplying housing for vulnerable people. We asked when the first license might be issued. MHCLG replied that it would depend on what the consultation revealed about the state of the regulations and how complex the licensing regime would be to implement. It suggested that the consultation was likely to last for several months, after which it would need to evaluate the responses and lay the appropriate regulations, before finally implementing the scheme. MHCLG argued that the general election had pushed back some of the timescales in a way that was “frustrating” but that it was committed to making this happen as quickly as possible.⁵³

51 Committee of Public Accounts, [Supported housing](#), Seventy-Seventh Report of Session 2022–23, HC 1330, 10 November 2023; House of Commons Library, [Supported exempt accommodation \(England\)](#), September 2023 (page 4)

52 Q 6

53 Qq 7-11

Formal minutes

Thursday 16 January 2025

Members present

Sir Geoffrey Clifton-Brown, in the Chair

Mr Clive Betts

Anna Dixon

Sarah Hall

Declaration of interests

The following declarations of interest relating to the inquiry were made:

2 December 2024

Sir Geoffrey Clifton-Brown declared the following interest: chartered surveyor and owner of buy-to-let and rental properties.

Mr Clive Betts declared the following interest: Vice President of the Local Government Association.

Nesil Caliskan declared the following interest: Vice Chair of the Local Government

Anna Dixon declared the following interest: landlord.

Rebecca Paul declared the following interest: Surrey Country Councillor.

Tackling homelessness

Draft Report (*Tackling homelessness*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 38 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Monday 20 January at 3 p.m.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 2 December 2024

Sarah Healey CB CVO, Permanent Secretary, Ministry of Housing, Communities and Local Government;

Catherine Frances, Director General for Local Government, Resilience and Communities, Ministry of Housing, Communities and Local Government;

Penny Hobman, Director for Homelessness and Rough Sleeping, Ministry of Housing, Communities and Local Government;

James Wolfe, Director for Poverty, Families and Disadvantage, Department for Work & Pensions;

Jenan Hasan, Director of Housing and Universal Credit, Department for Work & Pensions

[Q1-92](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

TH numbers are generated by the evidence processing system and so may not be complete.

- 1 Fairbrother, Dr Hannah (Senior Lecturer in Public Health, University of Sheffield); Holding, Eleanor (Research Fellow, University of Sheffield); and Woodrow, Dr Nicholas (Research Associate, University of Sheffield) [TH0017](#)
- 2 Burns, Professor John (Emeritus Professor, University of Exeter); and Jollands, Dr Stephen (Senior Lecturer in Accounting, University of Exeter) [TH0004](#)
- 3 Davis, Ms Sabrina (Manger - Portsmouth homeless drug and alcohol team, The society of St James); Poskitt, Mr Kaddison and Wood, Miss Katie (Public health development Manager, Portsmouth City Council) [TH0012](#)
- 4 Brickell, Professor Katherine (Professor of Urban Studies, King's College London); Curry, Fraser (Doctoral Researcher, King's College London); Nowicki, and Dr Mel (Reader of Urban Geography, Oxford Brookes University) [TH0010](#)
- 5 Amnesty International UK [TH0009](#)
- 6 Better Society Capital [TH0013](#)
- 7 Bridges Outcomes Partnerships [TH0028](#)
- 8 Centre for Homelessness Impact [TH0025](#)
- 9 Centrepoint [TH0011](#)
- 10 Chartered Institute of Housing [TH0031](#)
- 11 Chilman, Dr Natasha (Teaching Fellow & Research Associate in Population Mental Health, King's College London) [TH0014](#)
- 12 Christie, Dr David (Research Fellow, University of Birmingham) [TH0020](#)
- 13 Commonweal Housing [TH0024](#)
- 14 Cook, Mr Nigel D (Retired - SME Business Efficiency Identification, Management and Delivery) [TH0001](#)
- 15 Crisis [TH0015](#)

16	HMI Prisons	<u>TH0026</u>
17	Homeless Link	<u>TH0016</u>
18	Housing Law Practitioners' Association	<u>TH0027</u>
19	Justice	<u>TH0019</u>
20	National Housing Federation	<u>TH0007</u>
21	Pathway	<u>TH0023</u>
22	Plymouth Business School, University of Plymouth; and Citizens Advice South Hams	<u>TH0008</u>
23	Reapit	<u>TH0022</u>
24	Salford City Council	<u>TH0021</u>
25	Shared Health Foundation	<u>TH0002</u>
26	Shelter	<u>TH0006</u>
27	The Local Government Association	<u>TH0029</u>
28	The Royal College of Nursing	<u>TH0030</u>
29	Understanding Society, the UK Household Longitudinal Study	<u>TH0005</u>
30	YMCA England & Wales	<u>TH0018</u>

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2024–25

Number	Title	Reference
1st	Support for children and young people with special educational needs	HC 353
2nd	Condition and maintenance of Local Roads in England	HC 349
3rd	HMRC Customer Service and Accounts	HC 347