

Written evidence submitted Centrepont by (TH0011)

Summary

This consultation is in response to the governments call for evidence following the NAO 2024 report. It overviews the costs of homelessness, local authority funding and their abilities to implement the Homelessness Reduction Act (HRA) (2017) drawing on evidence from Centrepont's research outputs.

The key messaging of the consultation are as follows:

- Historic spending on homelessness has been sporadic and lacked long-term planning and investing, future policy and **spending must be forward looking and include youth-specific components.**
- The HRA has improved the workings of the homelessness sector, however, adequate funding is needed for local authorities to be able to implement it to the extent it was designed to, as, currently, gatekeeping practices are common.
- Homelessness can no longer be viewed as solely an urban issue - **rural homelessness is an increasing issue**, and funding allocation must reflect this trend.

The three reports referenced in this call for evidence—Homeless Households (2017), the Committee's 2024 Report on Ukraine, and the 2024 NAO Report—collectively highlight the increasing prevalence of homelessness across the UK. In recent years, **the number of young people experiencing homelessness in the UK has risen significantly**, with government data highlighting increases in both the number of households in temporary accommodation and the number of individuals sleeping rough. Young people are particularly vulnerable to the challenges posed by insecure housing, often bearing the brunt of broader systemic issues.

The introduction of the HRA (2017) sought to address these challenges by expanding the responsibilities of local authorities to prevent and relieve homelessness. Despite these efforts, the issue has been exacerbated by a combination of factors, including a severe shortage of affordable housing, escalating rental costs, welfare reforms, and the growing strain on local authorities resources.

The National Audit Office's (NAO) 2024 review further highlights the evolving and worsening landscape of homelessness. It reveals that homelessness challenges are no longer confined to London and major metropolitan areas but are increasingly affecting other parts of the country, creating unprecedented financial pressures on local authorities.

To address the issues highlighted, **Centrepont proposes the government move to a longer-term planning strategy.** By developing **proactive funding schemes and programmes** that prevent homelessness, increase affordable housing supply and regulates the private rental sector, the government would be able to begin to tackle the growing problem of youth homelessness.

1. Spending and funding challenges

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Despite significant increases in spending, funding for homelessness services remains inconsistent, predominantly short-term, and insufficient to meet the growing demand. This fragmented approach to funding has created substantial barriers to long-term planning and investment in preventative measures, as well as in the development of high-quality temporary and permanent housing solutions.

While recent budget allocations have added some resources, evidence indicates these are still inadequate. For example, **Centrepont's Databank** reports that **35% of young people seeking support from homelessness services do not receive a completed assessment**, highlighting systemic resource gaps that undermine the effectiveness of local authority interventions.

In terms of expenditure, **local councils have more than doubled their spending on homelessness services over the past decade**, increasing from £1.14 billion in 2010-11 to £2.44 billion in 2022-23. A substantial portion of this spending—over £1.6 billion in 2022-23—is consumed by the soaring costs of temporary accommodation, which now constitutes 60% of total local government housing service expenditure, compared to 25% in 2010-11.

Research by Centrepont, carried out by WPI Economics underscores, shows that the "main duty" stage of the Homelessness Reduction Act (HRA) process is the most expensive component, primarily due to the high costs of temporary accommodation, which make up 88% of the expenditure associated with this duty. Administration costs account for 10%, while direct support comprises only 2%. These findings highlight **the critical need to move away from reliance on costly temporary housing and toward implementing long-term solutions, such as expanding social housing and reforming the private rental sector.**

Furthermore, the analysis by WPI Economics and Centrepont demonstrates that cases involving the main duty stage are significantly more expensive than other pathways under the HRA. The most costly trajectory occurs when an individual at risk of homelessness progresses through prevention, relief, and ultimately main duty acceptance, incurring an average cost of £29,532 per case in England. In regions with higher housing costs, such as London and the South of England, this figure is likely much higher.

In contrast, **cases that successfully resolve at earlier stages of intervention are substantially less expensive.** For instance:

- A case where an individual at risk of homelessness has their situation prevented costs an average of £1,292.
- A case where an individual initially experiencing homelessness has their situation relieved without progressing to the main duty stage costs an average of £4,828.

One major area of homelessness prevention in which government could be investing resources is Upstream Prevention, where those at risk of homelessness are identified and supported early on. Centrepont's Upstream Prevention Programme is targeted at school year groups consisting of children between the ages of 11-16 and uses a two-stage process - a screening survey and follow up support. The survey asks questions about wellbeing, resilience, education, and housing, and identifies young people who could be at risk of individual and/or familial homelessness in the future. Data from the surveys has shown that: 88% of surveyed children have concerns with their wellbeing; 32% are experiencing bullying (with 8% saying that they are bullied almost every day); 14% are at risk of disengagement from education; and 12% are at risk of individual homelessness and 15% family homelessness.

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To support young people at risk of homelessness, Centrepont delivers a sticky support model of general mentoring, while working in partnership with local organisations to provide a holistic and person-centred offer, e.g. family mediation services – supporting families to overcome issues and tensions that may lead to homelessness. By replicating this work across the country, **Government could identify and provide support to children who are likely to access local authority homelessness support in later life - potentially saving government tens of thousands of pounds per person and reducing reliance on expensive temporary accommodation.**

These findings underscore the importance of prioritizing early intervention and prevention strategies, which not only yield significantly lower costs but also reduce reliance on temporary accommodation. Investing in these measures, alongside increasing the availability of long-term housing options, is essential to creating a more effective and sustainable approach to tackling homelessness.

To address these challenges and improve outcomes for individuals at risk of or experiencing homelessness, we propose the following policy recommendations:

1. **Stabilize and increase long-term funding**
 - Establish multi-year funding agreements for homelessness services to enable local authorities to plan and invest in sustainable, preventative strategies.
 - Ensure funding allocations reflect regional demand, particularly in areas experiencing sharp increases in homelessness presentations.
2. **Expand affordable housing supply**
 - Increase investment in the construction of social housing to provide longer-term solutions and reduce reliance on costly temporary accommodations.
 - Support community housing initiatives and public-private partnerships to expand the stock of affordable rental homes.
 - Target capital funding grants at enabling organisations to buy/rent land which can be developed into Stepping Stone Accommodation
3. **Reform the private rental sector**
 - Introduce stronger protections for young renters, including legislation to restrict rental conditionality relating to guarantors and rent being paid upfront, and incentives for landlords to rent to individuals at risk of homelessness.
 - Develop national schemes to underwrite rental guarantors for young people, reducing barriers to accessing private rental properties.
 - Evaluate and learn from the Greater Manchester Authority's Good Landlord Charter so that similar projects can be replicated in other regions.
4. **Enhance preventative measures**
 - Increase funding for upstream homelessness prevention programs to address the root causes of homelessness, such as family breakdown, financial instability, mental health challenges, and domestic abuse.
 - Strengthen the role of local housing officers in identifying at-risk individuals and connecting them with support services before they reach crisis points.
5. **Improve data collection and accountability**
 - Implement standardized data collection frameworks, with age disaggregates, across local authorities to track outcomes and service gaps effectively.
 - Use this data to adjust funding models and ensure resources are directed where they are needed most.

By adopting these measures, the government can move away from reactive spending on temporary solutions and towards a more sustainable and equitable approach to addressing homelessness. This

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shift is essential to alleviate pressure on local authorities, reduce overall costs, and, most importantly, provide young people and others at risk with the support and stability they need to rebuild their lives.

1. Homelessness Reduction Act (2017): progress and challenges

As the call for evidence highlights, the HRA introduced significant reforms, including earlier intervention and a stronger focus on prevention. While these changes have had positive procedural impacts, they have not resulted in a reduction in youth homelessness. Centrepont argues that this is predominantly an implementation and accountability issue, rather than an inadequacy within the act.

Data collected by Centrepont suggests that many local authorities are engaging in practices that block access to homelessness support – often called gatekeeping. Data obtained from the Centrepont Helpline between July 2023 and September 2024 shows that 564 young people experienced forms of local authority gatekeeping in England between July 2023 and 11 September 2024.

Of the young people recorded as having experienced gatekeeping, 255 were female (45%), 174 were male (31%) and 10 identified as non-binary or transgender (2%) and 125 respondents did not disclose this information. Worryingly, there were 82 recorded instances of gatekeeping where the applicant had children or were pregnant at the time of contacting the helpline (14.6%).

Helpline staff report seeing an increasing number of gatekeeping cases involving young people who are pregnant/have children in the last year. **One Council told a pregnant 20-year-old who was rough sleeping that she will only be considered priority need once she reaches 20 weeks pregnant and can provide her MAT B1 form.** This goes against the Homeless Code of Guidance: 8.5 Normal confirmation of pregnancy, e.g. a letter from a medical professional, such as a midwife, should be adequate evidence of pregnancy.

Local authorities are obliged to try and prevent or relieve homelessness for all applicants who are eligible for assistance and are homeless or threatened with homelessness, irrespective of whether they may have a priority need for accommodation. However, many councils are denying support to young people who should have priority need status, such as those who are pregnant/with children and/or with experiences of domestic abuse.

Several factors limit the HRA's effectiveness for young people:

1. **Rising housing costs and decline in social housing:** Young people face unique vulnerabilities due to having lower incomes and fewer housing options. The rise in private rental costs and the diminishing availability of social housing disproportionately impacts on them.
2. **Inadequate funding for HRA implementation and subsequent gatekeeping practices:** The funding provided to local authorities to fulfil the HRA's expanded duties has proven insufficient to address the increasing demand, particularly among young people. Our latest research, conducted by WPI Economics, has found that

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local authorities in England are facing a £332 million annual shortfall in youth homelessness funding.

3. **Broader systemic issues:** Structural challenges such as welfare reforms, reductions in youth services, and barriers to accessing the private rental sector have left many young people without viable housing solutions. Additionally, many landlords remain hesitant to rent to younger tenants, further restricting access to secure housing.

Although the HRA has improved procedural efficiency, it has been unable to overcome these broader economic and systemic pressures, leaving youth homelessness at persistently high levels.

2. Regional Disparities: Urban and Rural Dynamics

Youth homelessness presents distinct challenges across urban, rural, and semi-rural areas. Data from the **Centrepoint 2022-23 Databank** reveals notable regional disparities in the number of young people approaching local authorities for support.

Compared to the 2021/22 financial year, the average number of presentations decreased by 18 per cent for predominantly urban areas, while it increased respectively by 9 and 10 per cent for predominantly rural and urban with significant rural areas. **This suggests that this year's increase in the number of young people at risk of homelessness in England is predominantly due to higher number of presentations outside of urban areas.**¹

- **Urban Areas:** Predominantly urban local authorities reported the highest average number of homelessness presentations (390) during 2021-22. However, this figure decreased by 18% in 2022-23.
- **Rural and Semi-Rural Areas:** In contrast, predominantly rural and urban areas with significant rural populations experienced increases of 9% and 10% respectively in the same period.

This shift suggests that the rising number of young people at risk of homelessness is increasingly concentrated outside urban centres, presenting new challenges for local authorities in rural and semi-rural areas. These regions often have fewer dedicated resources and infrastructure to support young people facing homelessness, exacerbating the difficulties in addressing their needs.

¹ [Failure to Act - The scale of youth homelessness in the UK - Databank Report.pdf](#)

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Recommendations

The evidence underscores an urgent need for coordinated, sustained, and adequately funded measures to address youth homelessness. Effective interventions require:

- **Stable, long-term funding** to enable local authorities to invest in preventative strategies and comprehensive housing solutions.
- **Invest in prevention and early intervention programmes** to introduce a national scheme to identify young people who may be at risk of homelessness and reduce spending on temporary accommodation.
- **Enhanced support for rural and semi-rural areas**, where the growing demand for services must be matched with appropriate resources.
- **Policy reforms** to address systemic barriers, including the lack of affordable housing and access challenges in the private rental market.
- **Greater scrutiny and** accountability for local authorities when **implementing HRA processes**.

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