

Written submission from St Mungo's

Summary

1. St Mungo's is a leading homelessness charity, with national influence that works in partnership with local authorities, health colleagues and communities, to end homelessness and rebuild lives.
2. This submission highlights what St Mungo's considers to be the key issues and recommendations that should be taken forward, based upon the experience of Everyone In, announcements made by the Government and its response to the Public Accounts Committee report, *COVID-19: housing people sleeping rough* (March 2021). It addresses, inter alia:
 - Everyone In and the Rough Sleeping Initiative (RSI) – paragraphs 13 - 15
 - Prevention – compromised by short-termism – paragraphs 16 - 26
 - The Next Steps Accommodation Programme (NSAP) and Rough Sleeping Accommodation Programme (RSAP) – paragraphs 27 - 32
 - Welfare support – paragraphs 33 - 43
 - Women and young people – paragraphs 44 – 47
 - Further recommendations – paragraphs 48 (a – e)
3. It provides recommendations (in **bold**) in these areas, and additional ones to be considered.

Introduction

4. St Mungo's is a leading homelessness charity, with national influence that works in partnership with local authorities, health colleagues and communities, to end homelessness and rebuild lives.
5. Last year, St Mungo's supported more than 31,600 people who were homeless, or at risk of homelessness through 207 services across London, the South East and the South West of England. St Mungo's supports over 3,200 people every night, and almost double that number during the pandemic.
6. During the pandemic, under the Government's Everyone In initiative, St Mungo's managed 30 emergency hotels and over the last 12 months has supported more than 4,000 people across emergency hotels and Covid-19 support only projects during the pandemic.
7. St Mungo's has also supported over 2,000 people who were receiving this emergency support into longer term accommodation.

8. St Mungo's has used this wealth of experience to inform the Kerslake Commission on Homelessness and Rough Sleeping, which has been examining and learning the lessons from the emergency response. It aims to help all agencies involved in supporting those who are rough sleeping, or homeless and at risk of rough sleeping, to understand what worked during the pandemic and what is now needed to embed the good practice that was shown during the past year.
9. The work of the Commission has been supported by an Advisory Board of 22 experts, across health and homelessness, including parliamentarians, practitioners and people with lived experience. Evidence was received from over 90 different organisations and agencies involved in rough sleeping, including local authorities, health and housing agencies, homelessness charities and housing associations, and people with direct experience of support through the pandemic. The Commission also commissioned two literature reviews into the emergency response.
10. In July 2021, the Kerslake Commission produced its interim report, *When We Work Together – learning the lessons* which provides an authoritative overview of the evidence received and makes recommendations targeted at the 2021 Spending Review, advising what should be the priorities and approaches to achieve the Government's manifesto commitment to end rough sleeping.
11. In September, the Commission published the final report, *A new way of working: ending rough sleeping together*. Building upon the interim report, it provides a comprehensive review of the evidence.
12. This submission highlights what St Mungo's considers to be the key issues and recommendations that should be taken forward, based upon the experience of Everyone In, announcements made by the Government and its response to the Public Accounts Committee report, *COVID-19: housing people sleeping rough* (March 2021).

Key areas:

Everyone In and the Rough Sleeping Initiative (RSI)

13. The additional investment by Government during the Everyone In response helped reduce rough sleeping by 37% and it is essential that this spend is maintained if the Government is to achieve its goal of ending rough sleeping by 2024.
14. As set out in the Kerslake Commission Interim Report, the RSI spend should have a focus on rough sleeping prevention, outreach, accommodation and support. Local authorities cannot stop engaging in alleviation whilst there is still high levels of rough sleeping and flow onto the streets, and without additional funding their efforts at prevention will be limited. This spend should

also be used to pay for an increased supply of self-contained, good quality emergency accommodation, where a single room is standard.

15. When combining the reported additional expenditure on rough sleeping during 2020-21 with the RSI settlement during this same period, this would bring the recommended projected yearly spend between 2022-23 – 2024-25 to £355.5m per annum.¹

	2020/2021	2021/2022	2022/2023-2024/2025 (recommended annual spend)
Rough Sleeping Initiative	£112m	£203m	£335.5
Additional expenditure on rough sleeping due to Covid-19, used to provide accommodation and support	£223.5m		
Total	£335.5	£254	£335.5

Prevention – compromised by short-termism

16. Preventing rough sleeping has a significant impact on both the individual and wider society. The human and social costs of rough sleeping are extensive, and much of it borne out in the health and criminal justice system, and within communities. Analysis of public spending has shown that the average cost for quickly resolving an episode of rough sleeping is just £1,426, but would rise to £20,128 if rough sleeping were to persist for 12 months.²

17. Preventative work is conditional on there being not only sufficient funding behind it, but also a prolonged timescale, both in order for programmes to keep meeting their objective and to begin to see results. Delivery of funding in short term pots is highly work intensive and destabilizing. Without guarantees of funding it is difficult for service providers to tender for services (as support services usually run on three-to-five-year contracts), plan longer term strategies and to retain staff on permanent contracts. This latter issue results in the loss of expertise as people familiar with the area's services change jobs, and the administrative cost of training new recruits. As set out in the Kerslake Commission Interim Report, the quick pace at which new short-term

¹ The Kerslake Commission (2021) *When We Work Together – learning the lessons* <https://www.commissiononroughsleeping.org/>

² Please, N (2015) *At what cost? An estimation of the financial costs of single homelessness in the UK*. Crisis https://www.crisis.org.uk/media/20677/crisis_at_what_cost_2015.pdf

initiatives were being introduced during the pandemic has meant that there has been insufficient time for recruitment and mobilization, with some providers then relying on expensive agency staff.³

18. *“The short-term nature of much of the funding made service delivery more challenging. While this could have been to some degree unavoidable, central government may have been able to provide longer term funding arrangements with more lead in time. Short lead in times give us weeks, or sometimes days, to get accommodation services up and running. Contracts for a few months, e.g. three or six, mean we often cannot recruit and have to use expensive agency staff. As contracts to run services came to an end, we are unsure if they will continue, making planning very challenging.” (Submission to the Kerslake Commission/Homelessness Organisation)*
19. Similarly, short term funding creates significant difficulties for local authorities, hampering their ability to commission effectively and strategically plan or revise existing initiatives. It was also highlighted in the Kerslake Commission Interim Report that constant bidding for different funding pots, and the multiple and lengthy monitoring requirements attached them, are resource intensive and a barrier to joined up and strategic service delivery. In total, 13 different governmental funding pots were allocated to rough sleeping during the pandemic.
20. One local authority warned the Kerslake Commission that there is an *“inability for local authorities to have autonomy over larger funds and commission according to need locally.”* Rushed bidding rounds and short-term funding may force local authorities to take a light-touch, risk-averse approach to developing services due to concerns the funding will not be continued, and they will not be able to afford to continue the services.
21. *“Whilst the NSAP/RSAP funding was obviously welcome, there was a plethora of other smaller associated funding programmes (Protect, Protect Plus, Out of Hospital Care Programme, Drug & Alcohol Funding, RSI4) with little apparent co-ordination between them, which left local authorities and their strategic partners struggling to make coherent bids. The resources needed to make detailed applications and subsequently meet monitoring requirements were, and continue to be, enormous and a distraction from actually delivering the services.” (Submission to the Kerslake Commission/Local Authority)*
22. *“The funding opportunities presented by DHSC, MHCLG, MoJ, PHE etc. have all overlapped, giving little scope to identify gaps or the opportunity to assess*

³ Fitzpatrick, S., Mackie, P., Pawson, H., Watts, B., Wood, J. (2021) *The COVID-19 Crisis Response to Homelessness in Great Britain: Interim Report* https://housingevidence.ac.uk/wp-content/uploads/2021/02/12544_UoG_CaCHE_COVID_Homelessness_Report-Final.pdf

the effectiveness of a newly operational service before planning more projects and schemes.” (Submission to the Kerslake Commission/Local Authority)

23. As set out in the Kerslake Commission Interim Report, throughout the pandemic, there has been a great deal of anxiety among clients over when offers of support will end, which has, in part, been due to the short term, piecemeal nature of funding. Lack of certainty, and the difficulty in building long-term trusting relationships which comes with the short-term funding, can cause people experiencing homelessness to experience worsening mental ill health and wellbeing.
24. *“Many people accommodated through Everyone In expressed significant concerns about what would happen next and often did not know how long they would be able to stay in the accommodation” (Submission to the Kerslake Commission/Lived Experience)*
- 25. ‘Everyone In’ should be continued through the Rough Sleeping Initiative (RSI), delivered through a minimum three-year funding settlement and expanded by incorporating the additional expenditure used by Local Authorities to provide people sleeping rough, or at immediate risk of doing so, with accommodation and support during the Covid-19 pandemic.**
- 26. There should be a cross-departmental focus on homelessness prevention. By investing in preventative measures – such as arrears/debt recovery, employment support, training on budgeting and knowledge of tenancy rights and responsibilities – the resilience of families and individuals will improve. This should be supported by a similar approach to early mental health support which would further underpin a prevention culture and would result in fewer households in crisis. These measures would reduce the number of people rough sleeping in the future.**

The Next Steps Accommodation Programme (NSAP) and Rough Sleeping Accommodation Programme (RSAP)

27. The Next Steps Accommodation Programme (NSAP) and Rough Sleeping Accommodation Programme (RSAP), which provide funding for longer term accommodation and support, were welcomed by the Kerslake Commission but it was considered that they would be more viable funding models if there was greater flexibility over when the capital funding is needed to be spent, and better alignment between the capital and revenue funds.
28. Though there has been a longer lead-in time for phase two of the NSAP and RSAP, there is however still the same completion deadline of March of the

same financial year. Short timelines can have a significant impact on the people a programme is intended to help, as it can prevent people from having the necessary time and space to fully assess their options and prepare for move on. Longer timescales would also support the development of more innovative bids.

29. The RSAP model is considered by some housing associations as having too much risk associated with it, due to the disparity in length of time of revenue funding and the time housing providers have to make the asset available. Although RSAP revenue funding lasts longer than typical cycles, it is still only for four years, whereas housing providers have to keep the asset as supported housing for people sleeping rough for 30 years. This may mean that housing associations end up having to self-fund the support, sacrificing other services to maintain it or struggle to maintain staffing levels, as well as leading to challenges in planning and staffing.
30. The barriers to delivering these funding programmes have meant that councils have struggled to procure move on accommodation, despite the funds being available.
31. Longer term certainty through aligning capital and revenue funding would mean that people are more able to access longer-term accommodation and support models as the housing element would be lined up with similar timelines to the support element. Longer-term support contracts would provide a sustainable business environment for supported housing providers. This would particularly benefit those with more complex needs who are able to sustain a life away from the streets.
- 32. The Rough Sleeping Accommodation Programme should be continued for the duration of the Rough Sleeping Initiative. The viability of this model can be improved, and take up increased, by aligning capital and revenue funding, allowing capital funding to roll over into subsequent years and drawing on continuous market engagement approaches. Strategic partnership working should be built into the programme and there should be flexibility to increase the maximum length of stay beyond two years.**

Welfare support

33. During the pandemic, the Government announced a series of changes to the welfare system which were designed to mitigate some of the impact of the COVID-19 pandemic on claimants. However, some of these changes were only introduced on a temporary basis, putting people at risk of homelessness or destitution if their income suddenly drops as a result of a return to previous rates. Further changes are also needed to ensure that everyone can benefit

from the increased rates, and to support people in transient work whose income has dropped or become even less stable as a result of the pandemic.

34. The Government increased the standard allowance in Universal Credit payments by £20 per week. This applied to all new and existing Universal Credit claimants. This meant that for a single Universal Credit claimant (aged 25 or over), the standard allowance increased from £317.82 to £409.89 per month. The Universal Credit uplift was rescinded earlier this on 6 October. St Mungo's supports strongly the Kerslake Commission recommendation that the increase to the standard allowance of Universal Credit (UC) should be maintained to help prevent further increases in poverty and homelessness. In evidence submissions to the Kerslake Commission, the £20 increase in Universal Credit was cited as significant in helping prevent destitution, with the amount prior to the increase being universally viewed as insufficient in covering basic costs.
35. On 20 March 2021, the Chancellor announced that Local Housing Allowance (LHA) rates for housing benefit would be increased to match 'the 30th percentile' of rents in each local area. The LHA 'rate' is the maximum amount of housing benefit that a private renter can claim to help pay their rent. It initially covered the 50th percentile of rents in a broad rental market area (BRMA). Then, in 2011 the rate was reduced to the 30th percentile. From 2012, year-on-year LHA increases were capped, based on the rise in the Consumer Price Index and then frozen entirely in 2016. Come the pandemic in 2020, the rate was increased back up to the 30th percentile. In theory, LHA is designed so that you will get enough housing benefit to cover the cost of renting a typical home in your area that is large enough for your needs. Even with rates at the 30th percentile, this means that 70% remain unaffordable.
36. The current Government position is that Local Housing Allowance will be frozen at the same level in cash terms for 2021/22, meaning they will fall back to below 30th percentile rates, widening the gap between housing benefits and actual housing support. This comes at a time of significant and ongoing housing uncertainty due to economic difficulty arising from the pandemic and subsequent economic pressures, such as energy and fuel prices.
37. However, these reforms had less reach in areas of high affordability pressure, as the benefit cap was not increased in lines with these changes. Many of St Mungo's services are based in London and other urban areas with high housing costs, and clients are often single adults looking to move into the private rented sector (PRS) as it offers the most likely option for people with low support needs, given the current scarcity of social housing.
38. The cap can prevent move on from homelessness services by dramatically reducing the amount of Housing Benefit (or housing costs within UC) which clients are entitled to. These concerns have been put into stark relief during the COVID-19 pandemic. St Mungo's has directly noticed the impact of the benefit cap on clients, both in London and elsewhere. Many clients who live in London and are preparing to move on into independent accommodation are entitled to claim the one-bedroom LHA rate.
39. St Mungo's reviewed LHA rates in 63 Broad Market Rental Areas in London and found that prior to the welfare changes in April 2020, there were 37 areas

where people who were claiming the standard allowance in Universal Credit could claim the full one-bedroom LHA rate without hitting the benefit cap; after April 2020, this reduced to just six areas.

40. This shows that, as a result of the benefit cap, the increase in LHA rates has done very little to improve housing affordability across London.
41. In increasing LHA rates, the Government has acknowledged that housing costs have increased since they were previously frozen and that housing benefits should be more closely aligned to the cost of rent to help prevent financial hardship and homelessness. However, the benefit cap means that many people in this group have not benefitted from the increase.
42. It is recognised that this would be an expensive intervention and note that removing the benefit cap fully may be unacceptable to the Government. If this is the case, then it is recommended that the Government instead alters the current level of the cap, either across the country or in areas with poor housing affordability.
43. Maintaining the welfare changes brought in during the pandemic, and reviewing the benefit cap, would play a significant role in preventing people from being forced into sleeping rough, helping the Government meet its commitment to end rough sleeping by 2024. Ending them will threaten any progress made in terms of preventing rough sleeping during the last 18 months.

Women and young people

44. Different groups of people also have distinct experiences of rough sleeping, often requiring different support. It was noted in the Kerslake Commission Interim Report that the emergency response over Everyone In was less effective at meeting the needs of women and young people, where the lack of tailored provision meant these groups did not come inside or were placed at risk in mixed environments. Both groups are often hidden homeless – for example, finding secluded sleep sites or using tents, staying with friends or family, sleeping on buses, or with strangers who expect sex in return for shelter, or wearing baggy clothes to hide their gender.
45. Hiding from harm means that they are hidden from help and missing from homelessness services and rendered statistically invisible. Their experiences and needs also differ. For example, the trauma that women with experience of homelessness face is often rooted in gender-based sexual and domestic abuse – before, during, and after their experience of homelessness. A 2018 evidence review by the University of York reported that “experience of domestic violence and abuse is near-universal among women who become homeless.”⁴

⁴ Bretherton and Pleace (2018) *op. cit*

46. Despite this, women-specific and gender-informed homelessness services are absent across many areas of England. 61 per cent of all local authorities in England and most of Wales were reported to have no homelessness services specifically for women.⁵ Similarly for young people experiencing homelessness, research by St Basil's on provision for young people in the Everyone In initiative found 'for almost every local area there were significant gaps in services and the supply of suitable housing for young people to move into.'⁶ Preventing homelessness at an earlier point in someone's life means far fewer people come through the crisis pathway and become caught in a revolving door of homelessness.

47. There should be a requirement in the RSI that there is specific provision of rough sleeping emergency accommodation and services for women and young people.

48. Further recommendations:

- a. **There should be a clear, cross-government plan to end rough sleeping and prevent homelessness, which builds on the lessons of Everyone In and has comprehensive funding programmes attached to it. Funding programmes should move through a new Cabinet sub-committee on rough sleeping, with the aim to make cross-cutting decisions and coordinated responses that support and mandate local agency, strategies and outcome focused delivery.**
- b. **To deliver the sector recommended target of building 90,000 social rented homes a year, the Government must increase grant funding delivered through the Affordable Homes Programme. The Government should increase the supply of supported housing through the continuation of the Affordable Homes Programme, but ensure capital funding is linked to multi-year revenue funding for support services. The Government should commit the funds from the Right to Buy scheme to a strategic acquisition programme, and reforms to be introduced through the upcoming Planning Bill should provide local authorities with financing flexibilities to build more housing of this type.**
- c. **The Government should establish a clear policy position that implementing No Recourse to Public Funds must stop short of causing destitution. Destitution can be prevented through investing in good quality independent immigration and welfare advice and employment support, clear guidance on access to benefits for non-UK nationals whose status is yet to be determined and simpler and faster processes to clarify people's immigration status. Local authorities should be provided with**

⁵ *Ibid.*

⁶ <https://stbasils.org.uk/wp-content/uploads/2021/03/Young-People-In-St-Basils-Deep-Dive-report-FINAL-pdf.pdf>

guidance on what it means to ‘exhaust all options within the law’ to support those who are sleeping rough and are not eligible for statutory homelessness assistance, due to their immigration status. Local authorities should be provided with financial compensation where all other options have been exhausted to prevent destitution. Further, local authorities with a high number of non-UK nationals with unclear immigration status on the streets should look to funding immigration advice as part of their rough sleeping and homelessness prevention services. Collecting data on the number of individuals with no or limited access to public funds experiencing destitution will help to identify what resources are needed to assist this group out of homelessness.

- d. Housing First accommodation and support type models have an important role to play in supporting recovery away from the streets, particularly for people with complex needs. Bridge funding should be provided for the Housing First pilots, to allow time for evaluation, and this should inform a national roll out of the model, supported through long term funding and affordable tenancies. Wherever possible, the solution to homelessness should focus on providing permanent homes, rather than temporary accommodation. In its vision for scaling up Housing First provision for people with complex needs, Government must drive cross-departmental collaboration and should establish a joint ministerial funding stream, as well as cementing a shared understanding of what Housing First is in practice.**
- e. Funding should be targeted at improving services to provide trauma informed, person-led and controlled support for people with complex needs, with integrated approaches across all agencies, to improve access, experience and outcomes, and maintain tenancies.**

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