

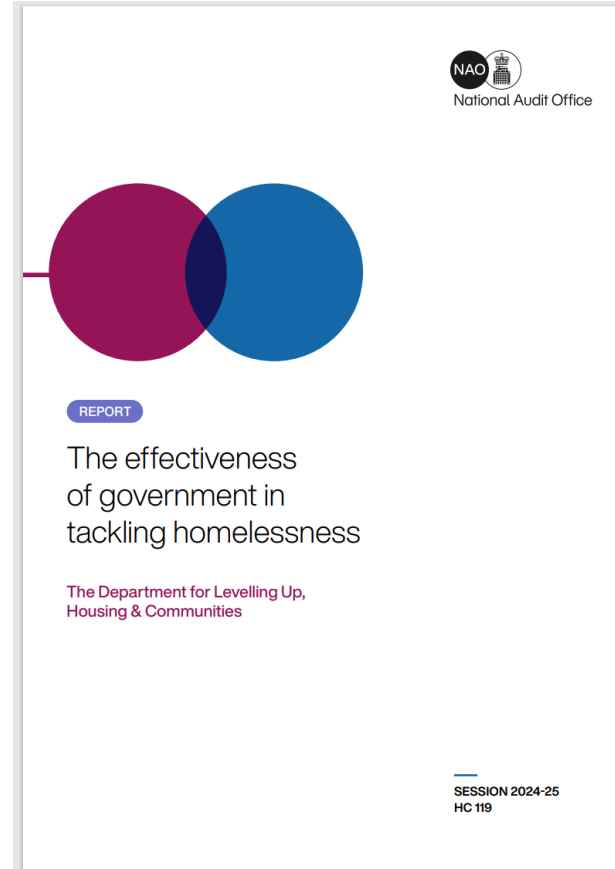
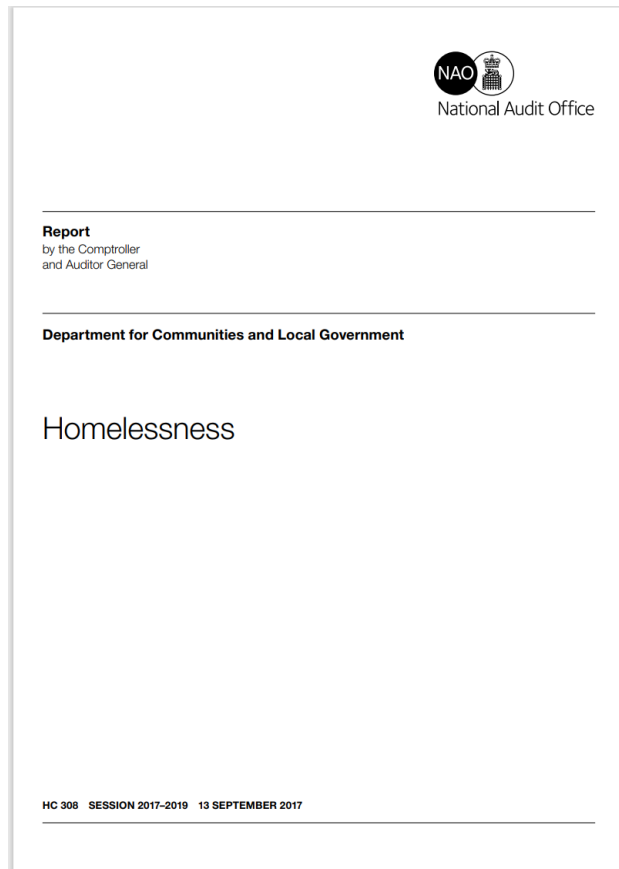
The effectiveness of government in tackling homelessness

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22 October 2024

Why report now?

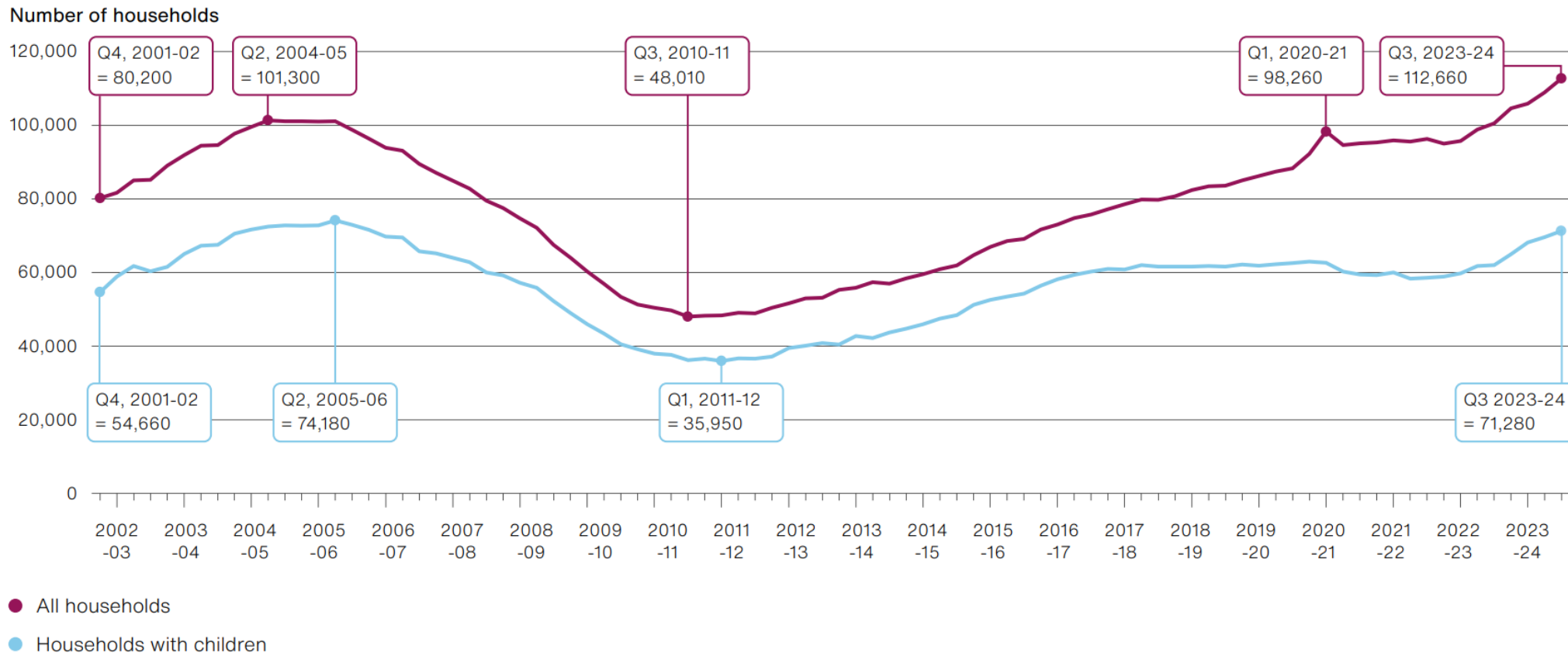
- Headline figures pointed to unprecedented levels of statutory homelessness
- An area of significant and rising demand-led financial pressure for local government
- A chance to follow up on our previous report, published in December 2017



Numbers in temporary accommodation are at the highest level since comparable records began

The number of households in temporary accommodation, Quarter 4, 2001-02 to Quarter 3, 2023-24

In Quarter 3, 2023-24, there were 112,660 households in temporary accommodation, which is the highest total across the whole period

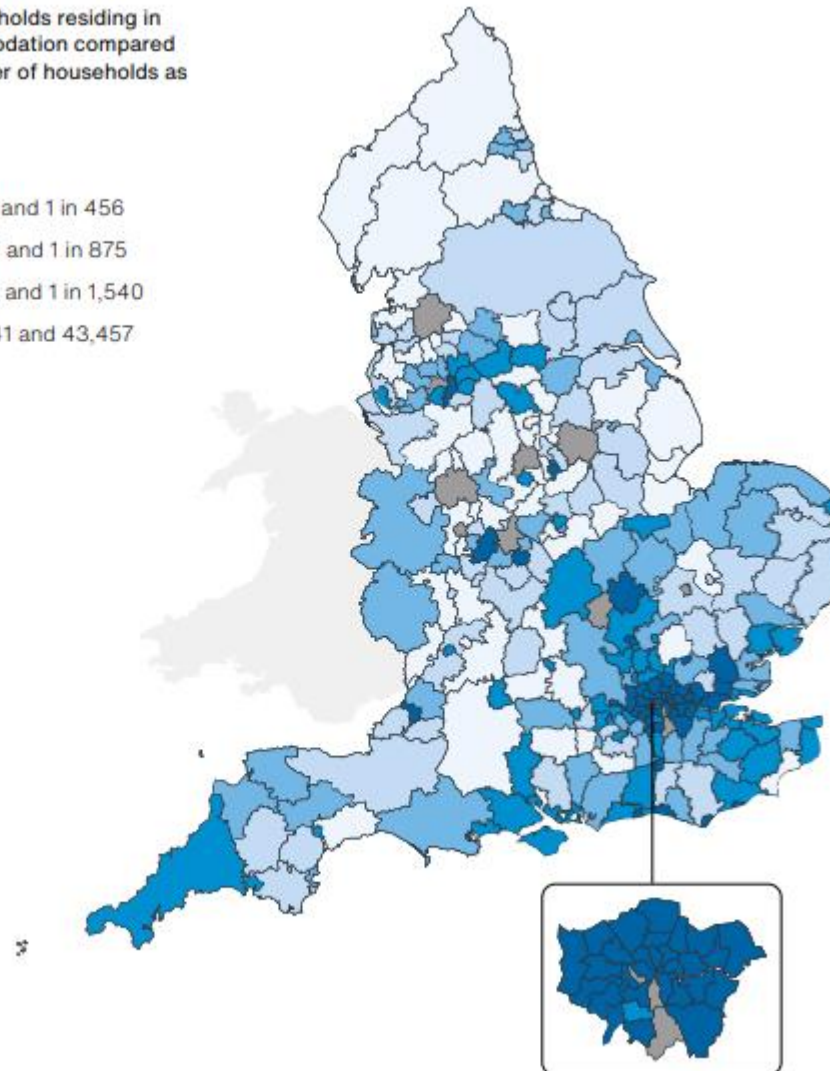


* Figures for Q4 2023-24 (released after our report) rose to 117,450 and 74,530

Variation in temporary accommodation levels in England

Proportion of households residing in temporary accommodation compared with the total number of households as at December 2023

- Up to 1 in 171 (greatest 20%)
- Between 1 in 172 and 1 in 456
- Between 1 in 457 and 1 in 875
- Between 1 in 876 and 1 in 1,540
- Between 1 in 1,541 and 43,457 (lowest 20%)
- No data

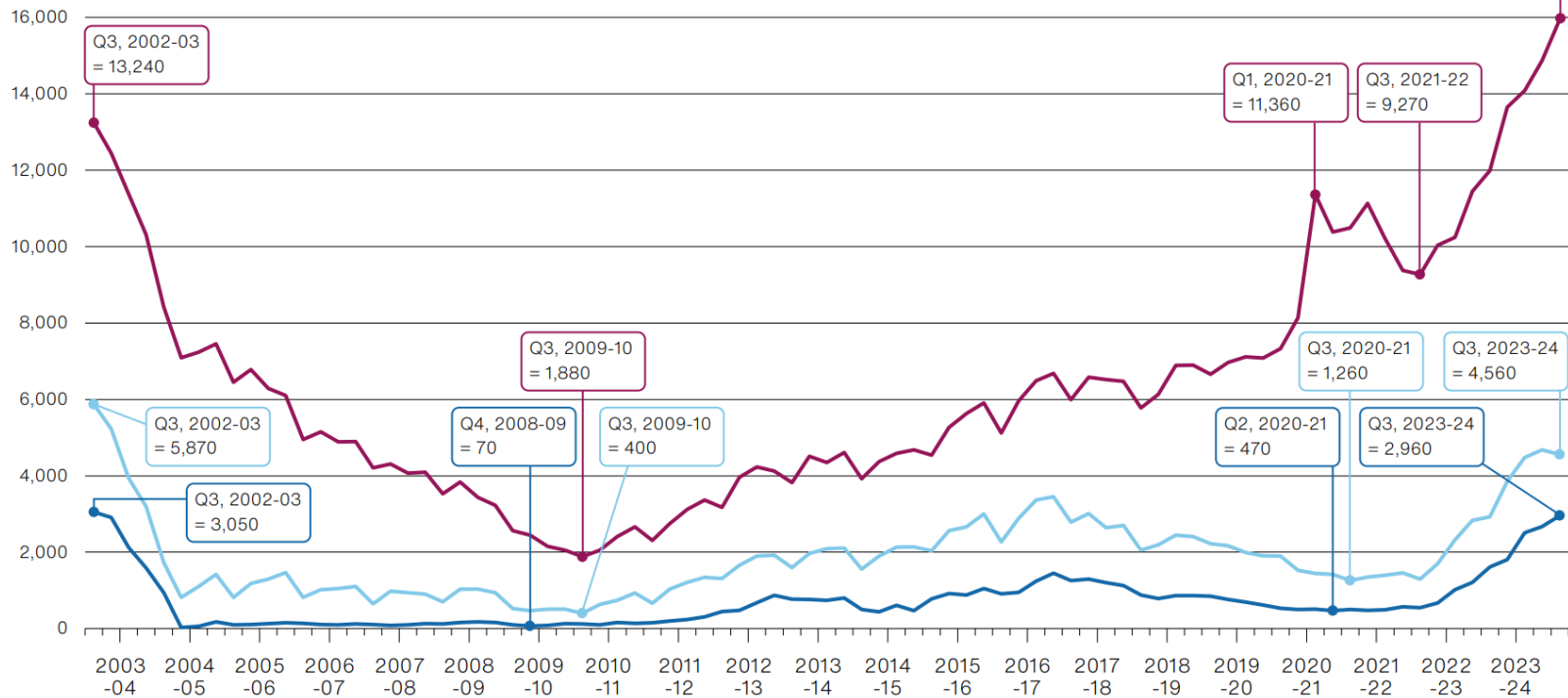


The use of B&B accommodation is rising steeply

The number of households in bed and breakfast (B&B) accommodation as temporary accommodation, Quarter 3, 2002-03 to Quarter 3, 2023-24

The number of households in B&Bs rose particularly sharply from early 2022 onwards

Number of households



- Total number of households in B&B accommodation
- Number of households with children in B&B accommodation
- Number of households with children in B&B accommodation and resident for more than 6 weeks

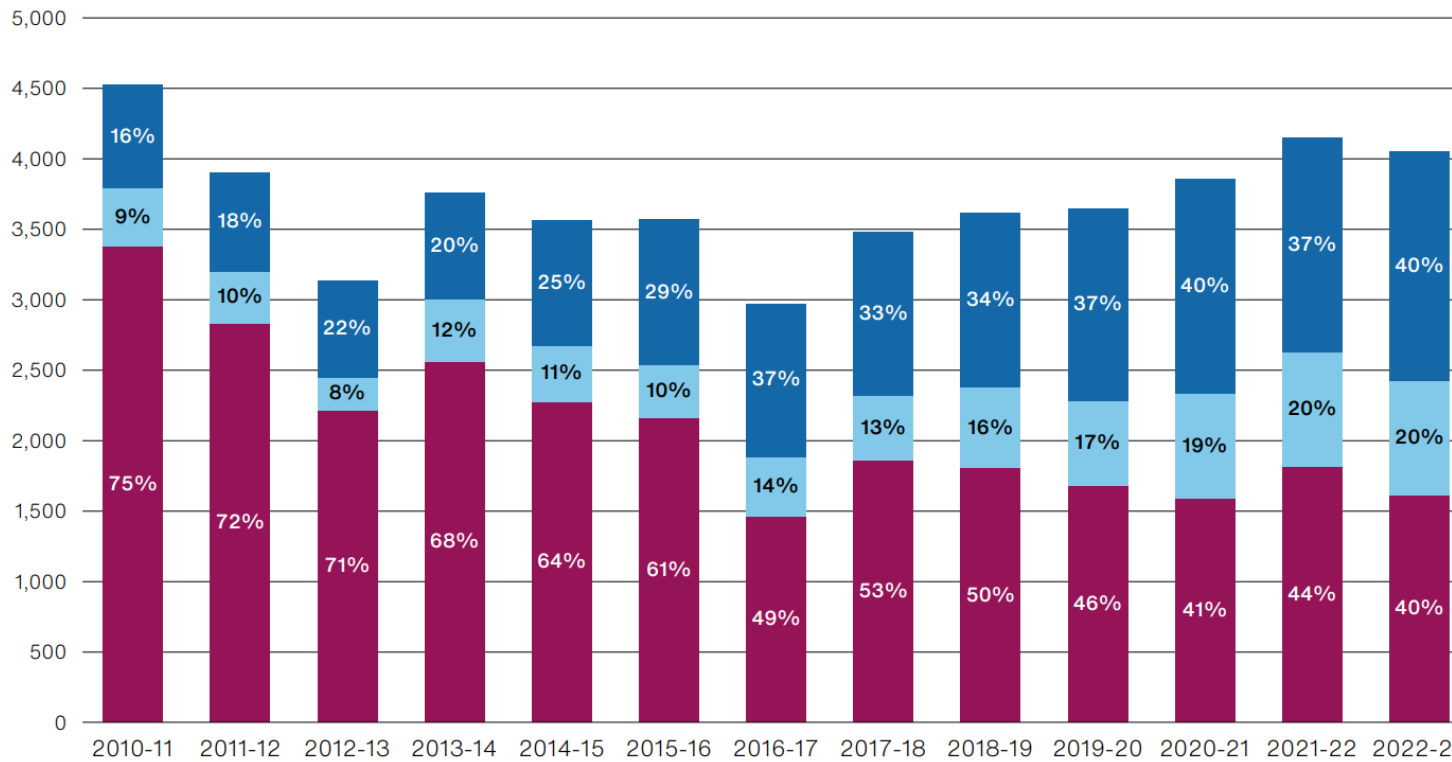
* Figures for Q4 2023-24 (released after our report) rose to 17,750, 5,550 and 3,250

Spending on homelessness services has more than doubled in real terms since 2010-11

Local authority spending on non-Housing Revenue Account (HRA) housing services in real terms, 2010-11 to 2022-23

Local authority spending on homelessness services increased by 113% over the period

Total spend (£mn, 2022-23 prices)



■ Other housing services (£mn)	3,383	2,829	2,214	2,561	2,279	2,166	1,461	1,858	1,804	1,677	1,590	1,815	1,613
■ Homelessness: prevention, support and administration (£mn)	406	375	236	442	391	370	425	464	574	606	743	814	809
■ Homelessness: temporary accommodation (£mn)	736	699	685	752	892	1,030	1,088	1,163	1,241	1,367	1,525	1,524	1,626

Complex, fragmented and sometimes uncertain central government funding

- Our report listed 13 separate funds/programmes that local authorities can use to tackle homelessness
- Short-term funding makes it difficult to plan services strategically and limits investment in temporary accommodation and other forms of housing
- The 'Temporary Accommodation Subsidy loss' that local authorities face totalled £205 million in 2022-23 compared with £41.4 million in 2012-13 (in 2022-23 prices)
- In practice, a significant portion of the Homelessness Prevention Grant is used to fund temporary accommodation rather than being spent on prevention work

No strategy or published target for statutory homelessness

- In September 2022, MHCLG (then DLUHC) published a rough sleeping strategy
- Each of the UK devolved administrations has an overarching homelessness strategy or action plan
- No strategy or target for statutory homelessness in England, despite NAO and PAC recommendations in 2017
- MHCLG has considered the need for a strategy and has advised on options for delivering sustainable reductions in homelessness, including:
 - having a **public target** backed by a credible long-term plan;
 - increasing **affordable housing supply** in the long-term; and
 - making potential **changes to welfare** arrangements in the short-term.

Conclusion and recommendations

18 Homelessness is a highly complex issue affected by a wide range of social and economic factors, and by government policy in areas such as housing, welfare and asylum. Statutory homelessness has increased significantly in recent years, meaning that more people are finding themselves either with no stable place to live or in temporary accommodation provided by their local authority. Providing temporary accommodation alone cost local authorities over £1.6 billion in 2022-23, but it varies in quality and there are gaps in regulation, while some of it – such as B&Bs being used for households with children – is unsuitable. Dealing with homelessness is creating unsustainable financial pressure for some local authorities.

19 The situation has worsened since we last examined the issue in 2017. Despite the introduction of HRA 2017, homelessness numbers are at a record level and expected to increase. While DLUHC has developed much better homelessness data and stronger links with local authorities, the government still has no strategy or public targets for reducing statutory homelessness, and DLUHC is falling behind on key programmes to improve housing supply. Funding remains fragmented and generally short-term, inhibiting homelessness prevention work and limiting investment in good-quality temporary accommodation or other forms of housing. Until these factors are addressed across government, DLUHC will not be able to demonstrate that it is delivering optimal value for money from its efforts to tackle homelessness.

We recommended:

- a cross-government approach and simplified funding for homelessness
- a long-term strategy and public targets
- greater funding predictability
- support and incentivise homelessness prevention
- consider how to improve B&B quality
- sharing innovative practice and solutions
- enhanced data and reporting on repeat homelessness and out of area TA placements



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