

Crisis 2023 Autumn Statement Submission

October 2023

Crisis is the national charity for people facing homelessness. We know that homelessness is not inevitable, and we know that together, we can end it. Crisis is dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Every year we work directly with thousands of people experiencing homelessness across England, Scotland and Wales. We provide vital help so people can rebuild their lives and are supported out of homelessness for good. We use research to find out how best to improve our services, and to find wider solutions to end homelessness for good.

A safe and settled home is the foundation on which people can thrive and build a better future for themselves. Making sure that everyone has a safe and affordable home benefits us all, creating a stronger, more productive society where everyone can play their part.

Increases in the cost of essentials like food and energy, alongside record high private rents¹ is both pushing more people into homelessness, and keeping people trapped in homelessness for longer. The number of households experiencing the worst forms of homelessness² on any given night in England in 2022 was 242,000 households, 17% higher than in 2012.³ This means thousands more families and individuals stuck in poor temporary accommodation, B&Bs, sofa surfing and staying in cars, squats, and other forms of unsuitable shelter. The government's own statistics show that the number of households being placed in temporary accommodation has also risen steadily. By March 2023, it stood at 104,510 households – the highest in 18 years - and included over 130,000 children.⁴ B&B use has also jumped, with 13,780 households now living in this problematic form of accommodation.

Because of the acute shortage of truly affordable settled homes, people are having to spend months and even years in temporary accommodation. As of March 2022, 25,980 households had been living in temporary accommodation for between two and five years, and a further 18,630 for more than five years.⁵ Last year, councils spent £1.74 billion on temporary accommodation,⁶ an increase of 9% on the previous year.

As well as having a huge direct financial cost, temporary accommodation causes great harm to individual lives which in turn generates very significant costs for the health, criminal justice, and education sectors. Three quarters of people living in temporary accommodation experience poor

¹ [The Rightmove Rental Trends Tracker: July-Sept 2023 Rental-Trends-Tracker-Q3-2023-FINAL.pdf \(rightmove.co.uk\)](#)

² The concept of core homelessness captures some of the most severe and immediate forms of homelessness, including people sleeping rough, those living in hostels, refuges and shelters, people placed in unsuitable temporary accommodation and people sofa surfing.

³ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis.

⁴ DLUHC Statutory Homelessness in England: Jan-March 2023 [Statutory homelessness in England: January to March 2023 - GOV.UK \(www.gov.uk\)](#)

⁵ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

⁶ [DLUHC Local Authority Revenue Expenditure and Financing England: 2022 to 2023](#)

housing conditions, at significant cost to their physical and mental health.⁷ Even where temporary accommodation is in decent condition, this insecure and short-term form of accommodation creates profound uncertainty and prevents people from planning for their future. The Children's Commissioner has documented how temporary accommodation can affect both children's behaviour and their ability to participate at school, leaving the education system to pick up the impact and costs of this disruption to children's lives and the extreme emotional trauma they may experience.

Crisis has welcomed the Government's refreshed Rough Sleeping Strategy and recent round of funding allocations under the Rough Sleeping Initiative. However, the Homelessness Monitor 2023 shows how cost-of-living crisis, rising rents and widespread destitution are driving up all forms of homelessness across England and making it harder for councils to provide people with effective support. Opportunities for upstream homelessness prevention are contracting because of sustained cuts to public services, a reduction in the supply of affordable rental properties, and a squeeze on household budgets.⁸

This Autumn Statement, we are calling on Government to take action to provide the necessary investment in a housing-led response to end all forms of homelessness. There is broad consensus on the long-term investment need to deliver more truly affordable housing and to ring-fence funding for support services. Alongside this, there are more urgent steps that can be taken to provide access to genuinely affordable housing in cost-of-living crisis and limit rising levels of homelessness destitution which have a long-term human and economic cost. Key recommendations outlined in this submission are:

1. Urgently restore Local Housing Allowance to the lowest 30th percentile of rents
2. Long-term investment to deliver the 90,000 homes for social let per year for the next 15 years required to end homelessness, with immediate action to:
 - Shift the focus of the Affordable Housing Programme
 - Establish a National Empty Homes Initiative supported by flexible funding
3. Ring-fenced funding for support services
4. Funding to enable successful implementation of the Supported Housing (Regulatory Oversight) Act
5. Funding for the national expansion of Housing First

1. Urgently restore Local Housing Allowance to the lowest 30th percentile of rents

The lack of social housing means many people on low incomes are stuck in the private rented sector where higher rents leave people particularly exposed to any additional financial pressures. People on low incomes have been struggling for some time, but **recent inflation in living costs has made it impossible for some to make ends meet**, especially given record increases in private rents.⁹

Housing is generally private renters' biggest expense, and any increase hits people hard. The cost-of-living crisis is piling pressure onto people, especially those on the lowest incomes, leaving many facing rent costs that they simply can't afford, and more and more people left facing homelessness as a result. **Private tenants on the lowest 10 per cent of incomes are facing combined rents, food and**

⁷ Garvie, G, Pennington, J., Rich, H.& Schofield, M. (2023) *Still Living in Limbo. Why the use of Temporary Accommodation must end*. London: Shelter

⁸ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

⁹ Rents have risen at their fastest rate in 16 years, increasing by an average of 12.1 per cent across the UK. Listed rents in Scotland have increased by 11.4 per cent in the last year, 7.6 per cent in Northern Ireland, and 11.3 per cent in Wales, [according to Zoopla](#).

utility costs that exceed their total incomes by 43 per cent. This is much higher than for people in other tenures and puts private renters at a particularly high risk of homelessness.

The support that people on low incomes can get to help pay their rent through Local Housing Allowance (LHA) has been frozen since April 2020 and is based on 2018-19 rent levels. This has left low-income renters facing an increasing gap between LHA and their actual rents, putting people under growing pressure to plug this gap with money they don't have. For people facing arrears, eviction, or currently experiencing homelessness it's almost impossible to find somewhere affordable to live. Lettings at LHA rates are reducing across Great Britain. Research from Crisis in partnership with Zoopla found that the proportion of properties affordable on housing benefit in England has declined by two thirds in a year – down to just 4%¹⁰ and across Scotland, just 7% of properties were affordable to people who need housing benefit to help pay their rent.¹¹ Similarly research in Wales earlier this year found only 32 properties advertised across Wales (1.2% of the market) were available within LHA rates¹² and Homes for All Cymru wrote to the Westminster Government earlier this year.¹³

The freezing of LHA rates mean that landlords are unlikely to retain tenants on benefits according to a survey in early 2022, as they are likely to raise rents about LHA levels or take possession of the property, **leaving low-income renters with nowhere to go**¹⁴. In England and Wales, Landlord possession claims and evictions have been rising since 2020, when government protections in response to the Covid-19 pandemic were ended – and are now at their highest point in eight years.¹⁵ Through Crisis' frontline services, we are increasingly hearing of people being evicted from their homes due to landlords also struggling to meet costs.

Failure to address the LHA shortfalls is also trapping people in homelessness for longer, with nowhere to move to. That means people are having to spend longer in temporary accommodation, sofa surfing, sleeping in cars and other unsuitable accommodation. The overwhelming majority (82%) of local authorities in England surveyed in the 2023 Homelessness Monitor viewed the refreezing of Local Housing Allowance rates as 'very challenging' in the context of their efforts to prevent or alleviate homelessness.¹⁶ And despite claims by the current Government that there is sufficient additional support, **Discretionary Housing Payments (DHPs) fall far short of the level of consistent support needed to help people stay in their homes**, or to find somewhere else to move to if their tenancy cannot be sustained.¹⁷

This means that local authorities are having to put people in expensive temporary accommodation for longer periods of time which is putting immense pressure on already constrained budgets. London

¹⁰ [Freeze on housing benefit decimating low-income renters' ability to find secure homes | Crisis | Together we will end homelessness](#)

¹¹ crisis.org.uk/media/sdchaudv/locked-out-local-housing-allowance-and-affordability-in-the-prs-in-scotland-003.pdf

¹² [Wales' Housing Crisis: Local Housing Allowance and the private rental market in Wales, Winter 2023 - Bevan Foundation](#)

¹³ [Hunt urged to unfreeze Local Housing Allowance - WHQ - WHQ](#)

¹⁴ In response to the previous freeze in LHA, a quarter (26 per cent) of landlords who have previously let at LHA rents are likely to raise rents above LHA, and more than one in five are likely to take possession of the property. Once an LHA-level tenancy has ended, only a minority of previous housing benefit-level landlords would re-let at that rate following LHA freezes. [In Focus NRLA quarterly landlord survey Q1 2022](#)

¹⁵ Private landlord evictions and accelerated procedure combined. [Mortgage and Landlord Possession Statistics](#)

¹⁶ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

¹⁷ Charlie Berry (22nd March 2022) Blog: [Risk of growing homelessness as cuts to discretionary housing payments deepen housing costs crisis.](#)

Councils are similarly asking that LHA cover at least the bottom 30% of rents, which it states will save up to £100m across public services.¹⁸

Investing in LHA helps to make private renting affordable for people on low incomes and is one of the most effective ways to prevent homelessness. Modelling from Heriot-Watt University found that raising and properly indexing LHA, alongside allocation of social housing to core homeless households, was the most effective intervention in the short as well as the longer-term. Against their projected core homelessness forecast for England, they projected raising LHA would lead to a 9% reduction by 2026 or 13% reduction by 2041.¹⁹

In Autumn 2022 analysis, DWP estimated the cost of restoring housing benefit to cover the cheapest third of rents to be £700 million, which would be a worthwhile investment leading to savings across public services. The IFS has said “this isn’t an expensive policy”.²⁰

The wider costs to public services of homelessness, including health and justice, were modelled by PwC in 2018, and found to be extensive. A cost-benefit analysis commissioned by Crisis of investing in housing benefit by Alma Economics, following the same principles the UK Government uses for cost-benefit analyses, found that the costs of investment are strongly outweighed by the benefits, including taking into account the impact on people’s well-being, and the wider impact on society if someone is prevented from becoming homeless or lifted out of poverty. The research found that investment in Local Housing Allowance rates over a three year period would result in a net benefits of £2.1 billion, taking into account savings from preventing homelessness and use of services as a result.²¹

2. Long-term investment to deliver the 90,000 homes for social let per year for the next 15 years required to end homelessness

Access to affordable housing is becoming more and more challenging for people on low incomes, exacerbated by the freeze on Local Housing Allowance rates.

Social housing is the most affordable for people on the lowest incomes, including people who are homeless or at risk. Yet on average, fewer than 7,000 social rent homes a year were built in England between 2015/16 and 2021/22, and more social housing is sold or demolished than built each year. In 2021/22 there was a net loss of 14,000 homes for social rent, and analysis suggests that as many as 57,000 more social rent homes will be lost by 2030.²²

Social housing as a proportion of all stock has declined significantly over the last 40 years, from 31 per cent of all homes in England in 1980 to just 17 per cent in 2020.²³

Research by Heriot Watt University for Crisis and the National Housing Federation identified the scale of need for social housing at **90,000 social rented homes per annum for the next 15 years** to

¹⁸ <https://www.londoncouncils.gov.uk/members-area/member-briefings/local-government-finance/autumn-statement-2023-london-councils%E2%80%99-key>

¹⁹ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis.

²⁰ The Telegraph, ‘The Budget fix that could save landlords from a looming crisis’, Melissa Lawford, 13th March 2023: <https://www.telegraph.co.uk/business/2023/03/13/budget-fix-could-save-landlords-looming-crisis/>

²¹ Crisis (2019) *Cover the Cost: Restoring Local Housing Allowance rates to prevent homelessness*: <https://www.crisis.org.uk/media/240986/crisis-cover-the-cost-solutions-report.pdf>

²² <https://www.local.gov.uk/about/news/almost-60000-homes-sold-through-right-buy-will-not-be-replaced-2030#>.

²³ House of Commons Library (13th August 2022) *Research Briefing, Social rented housing (England): past trends and prospects*

end homelessness and meet wider housing needs.²⁴ This estimate of the scale of need has been widely endorsed across the housing and homelessness sectors and by the Levelling Up, Housing and Communities Select Committee.²⁵

Investment in social rented housing would play a critical role in reducing homelessness and housing waiting lists and reduce reliance on expensive and unsuitable temporary accommodation.²⁶

Government data shows that a total of £1.74 billion was spent on temporary accommodation including private sector accommodation leased by local authorities, hostels, refuges, and B&Bs between April 2022 and March 2023 – an increase of 9% from the previous year.²⁷

Alongside the direct economic benefit of reducing spending on expensive temporary accommodation, a major public housebuilding programme would have much wider benefits for the economy - creating new jobs, boosting wages and increasing corporate income.²⁸ **It has been calculated that building 100,000 new social homes each year would provide a £15 billion boost to the economy**, with the capacity to target new homes and jobs at the communities that most need them.²⁹

The Heriot Watt analysis finds that building significantly more social rented housing would also create a virtuous circle of improved affordability and reduced housing need, with more households able to access decent housing and to have more choice about the location, type and tenure of their home.³⁰ Building new, energy efficient homes would reduce energy use and costs for residents and contribute to improved health and well-being. Research by the Building Research Establishment calculated that **investment of £10 billion to improve all poor housing in England would save the National Health Service £1.4 billion per year** and pay for itself in just over seven years, before accruing further benefits.

There is a strong body of evidence demonstrating the value for money delivered by public investment in social housing. DLUHC's own modelling of the economic benefits of the Affordable Homes Programme found that social renting has the best cost benefit rating of the range of affordable tenures delivered through the Programme, with investment in social rented housing representing a highly effective use of public resources.³¹ Analysis for the Affordable Housing Commission found that there would be **significant cost benefits to an expanded social house building programme**, noting that while upfront investment levels are high, the longer term fiscal benefits offset the upfront costs.³²

The Commission report noted that the long-term fiscal benefits of social renting contrast with the impact of more low-income households continuing to be housed in the private rented sector requiring

²⁴ Bramley, G. (2018) [Housing supply requirements across Great Britain for low income households and homeless people](#). London: Crisis and the National Housing Federation.

²⁵ Wilson, W. and Barton, C. (2022) [Social rented housing \(England\): Past trends and prospects](#). London: House of Commons Library

²⁶ Perry, J & Lister, S. (2021) [Housing for people on low incomes – how do we make the best use of government subsidies in England?](#) Chartered Institute of Housing/Centre for Homelessness Impact

²⁷ [Local authority revenue expenditure and financing England: 2022 to 2023 individual local authority data - outturn - GOV.UK \(www.gov.uk\)](#)

²⁸ Capital Economics (2019) [Increasing Investment in Social Housing: Analysis of public sector expenditure on housing in England and social housebuilding scenarios](#), report for the Shelter Commission

²⁹ Local Government Association (2021) [Building post-pandemic prosperity. The economic and fiscal case for construction 100,000 new council homes each year](#)

³⁰ Bramley, G. (2018) [Housing supply requirements across Great Britain for low income households and homeless people](#). London: Crisis and the National Housing Federation.

³¹ House of Commons Committee of Public Accounts, Twenty-Ninth Report of Session 2022–23: [The Affordable Homes Programme since 2015](#)

³² Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System](#)

higher rates of housing benefit to cover the cost of their rent, where the cost to the Exchequer rises in line with earnings over time.

Shifting the focus of the Affordable Homes Programme

The current Affordable Homes Programme runs from 2021-2026 and is expected to deliver 32,000 homes for social rent over five years.³³ The programme is heavily focused on supporting the delivery of 'Affordable Rent' homes, which are widely accepted as unaffordable for many low income households.³⁴ **Just 11% of all affordable homes delivered were for social rent in 2020/21, down from 65% in 2011/12.**³⁵

The Government could have an immediate impact within the current spending envelope of the AHP by committing to rebalance the programme to focus on the delivery of social rented housing. Government could also take steps to preserve the stock England already has by moving to halt the conversion of social to affordable housing and further reform the Right to Buy to manage the overall loss of social housing through this policy as recommended by the Local Government Association and others.³⁶ The Welsh Government has already abolished Right to Buy in Wales in 2019.³⁷

These measures would help protect existing social rented supply and increase the resources available for social rented housing without requiring additional spending commitments.

Establish a National Empty Homes Initiative supported by flexible funding

Scaling up house building to deliver the number of social rented homes needed to meet current and future levels of demand will take time, but **there are opportunities that can be taken advantage of in the short-term to help quickly deliver more much-needed truly affordable homes.** The fastest way to house people is with houses that already exist and there is considerable scope to unlock access to existing housing supply through proactive, targeted action to bring more empty homes back into use. There remains a shockingly high number of empty homes across England.

In 2022 the number of long-term empty properties³⁸ stood at 248,149, 24% higher than in 2016. This definition excludes long-term empty properties where probate has not yet been granted or where the owner has moved into a care home or hospital. So these official statistics understate the number of long-term empty homes. There are also numerous empty offices and other commercial buildings that have potential to be converted for use as housing. Even a small proportion of the estimated 165,000 empty commercial buildings could have a positive impact in providing genuinely affordable, settled housing.³⁹

Empty buildings are a wasted resource that could be used in increase the supply of genuinely affordable settled housing, but where there are high concentrations of unoccupied properties, they can also have a profoundly negative impact on local communities. Many of the homes

³³ Question for MHLG: Social Housing – Coronavirus. 1st Feb 2021: [Hansard UIN 147083](#)

³⁴ Affordable Housing Commission (2020) [Making Housing Affordable Again: Rebalancing the Nation's Housing System](#)

³⁵ Watts, B., Bramley, G., Fitzpatrick, S., McMordie, L., Pawson, H., and Young, G. (2022) [The Homelessness Monitor: Great Britain 2022](#). London: Crisis

³⁶ [LGA Budget Submission Autumn 2017](#)

³⁷ Welsh Government Press Release (9 January 2019): [Right to Buy to end in Wales this month](#)

³⁸ This figure refers to properties recorded in council tax statistics as unoccupied and substantially unfurnished for at least six months. This paper does not address the issue of second homes and short term lets.

³⁹ Habitat for Humanity/M&G/Empty Homes Network (2021) [Repurposing Empty Spaces to Help Address the Housing Crisis Across England, Scotland and Wales](#). Slough: Habitat for Humanity

currently sitting empty are older properties in poor condition, and in bringing them back into use there is significant retrofitting opportunities, in line with Government plans to decarbonise homes.

Crisis carried out research⁴⁰ with local authorities, community-led organisations, housing associations and national representative organisations including the Empty Homes Agency and Empty Homes Network to identify what a new government should do to unlock the potential of long-term empty homes and unused commercial buildings. We have examined learning from Scotland and Wales where the devolved Governments have adopted national strategies to tackle empty homes and also drawn on the findings of a recent joint APPG inquiry into the role of commercial to residential conversions in tackling homelessness.

In 2012, the Coalition Government launched an Empty Homes Programme, making available over £200m to bring empty homes back into use as affordable housing. £50m was also made available to community and voluntary groups who also delivered wider community benefits. By 2016 the number of empty homes in England was reduced to just above 200,000. Since the impact of the funding ended in 2016, the number of residential properties that have been empty for six months or more in England has risen by 24%. Over the same period the number of households living in temporary accommodation arranged by their local authority increased by 32%.⁴¹

Despite tools and resources being available to local authorities, levels of activity vary. We found this is largely due to an absence of dedicated funding or national strategic direction at a time of severe constraints and pressures on council and housing association budgets, and limitations with the enforcement tools available. In 2018, local authorities were granted the power to charge double rates of council tax on homes left empty for two years or more, but this money is not ringfenced to bring long term empty homes back into use. Without dedicated funding, community-led organisations also face significant viability challenges in acquiring or leasing empty homes; compounded by the gap between Local Housing Allowance rates and local rent levels, which undermine the viability of investment in acquisitions.

We estimate that over the four years to 2028, a concerted strategic approach to bring empty homes back into use could result in local authorities across England providing an additional 40,000 genuinely affordable homes to tackle homelessness.⁴²

Another potential route to unlocking more truly affordable housing from existing stock is through the **conversion of commercial property into residential homes**. In the wake of the COVID pandemic, despite a small rebound in occupancy levels, there are still high rates of vacancy in the commercial sector, estimated at 14% of retail unit space and 7% of office space.⁴³ Some empty commercial buildings are in public ownership. Research by Habitat for Humanity has estimated that there are 6,324 local authority owned vacant commercial and business spaces with capacity to create in the region of 20,000 additional homes.⁴⁴

⁴⁰ [crisis-make-history-ending-homelessness-with-homes.pdf](#)

⁴¹ GOV.UK (2023) [Statutory homelessness live tables](#).

⁴² This estimate was calculated using evidence of the potential reduction in empty homes that could be achieved as reported by 47 local authorities taking part in our survey. This figure was then applied to the national figure for long-term empty homes.

⁴³ APPG for Housing Market and Housing Delivery and APPG for Ending Homelessness (2023) Joint Inquiry into Rethinking Commercial to Residential Conversions

⁴⁴ Habitat for Humanity/M&G/Empty Homes Network (2021) *Repurposing Empty Spaces to Help Address the Housing Crisis Across England, Scotland and Wales*. Slough: Habitat for Humanity

Where empty shops, offices and other commercial buildings are located in town or neighbourhood centres experiencing high rates of vacancy, conversion can also provide regeneration opportunities by increasing residential density, bringing footfall back into neighbourhood centres and helping to support remaining businesses.⁴⁵ Conversions can also provide a more environmentally friendly alternative to demolition and redevelopment of obsolete buildings, with refurbishment typically emitting less carbon than redevelopment, helping contribute to the delivery of net zero targets.⁴⁶

In England, a wide range of unused commercial properties can be converted into residential properties without full planning permission under 'permitted development rights', following changes introduced in August 2021.

However, to date the number of affordable homes that could be delivered through this route has not been maximised. In fact, permitted development rights have had a negative impact on the supply of new affordable homes because developments can bypass requirements to contribute to affordable housing supply. **Research from the LGA reveals that 18,000 affordable homes have not been built which would otherwise have been if developments had to go via the usual planning route.**⁴⁷

There have also been numerous examples of commercial to residential conversions leading to poor quality, under-sized homes isolated from vital local infrastructure, such as local shops, health services, employment opportunities and transport links. There have also been examples of converted offices being used as poor-quality temporary accommodation, leaving people living in unsuitable conditions, isolated from local communities and services, without ending their homelessness.

A recent joint inquiry by the All-Party Parliamentary Groups (APPGs) for Housing Market and Housing Delivery and for Ending Homelessness found that there is potential to use some of the relatively high number of vacant commercial buildings to create good quality, settled, genuinely affordable homes for people experiencing homelessness and other low-income households.⁴⁸

To unlock the potential of empty buildings to tackle homelessness, the Government should develop a National Empty Homes Initiative, backed up by a flexible national fund to enable local authorities and their partners to access both capital and revenue funding, incentivising councils and their partner organisations to bring homes back into use with the primary purpose of meeting local housing need.

This initiative should be delivered in partnership with organisations best placed to deliver its work including the Empty Homes Network of leading local authority empty homes practitioners, the Empty Homes Agency, Homes England, LGA, GLA, London Councils, NHF and Homes for Cathy. The aim of the initiative should be to create a framework that facilitates and supports a primarily proactive approach alongside targeted enforcement activity, to bring more long-term empty properties back into use for preventing and ending homelessness.

We estimate that an average of £345.5 million per year, over four years, would enable local authorities and their partner agencies to bring up to 40,000 homes back into use to tackle homelessness - £1.38 billion in total. This would be made up of £340.4 million per year to fund

⁴⁵ Create Streets (2021) Why the government should end permitted development rights for office to residential conversions.

⁴⁶ Create Streets (2021) *Permitting Beauty*.

⁴⁷ Local Gov (2022), [Over 18,000 affordable houses lost due to permitted development rights](#)

⁴⁸ <https://www.appghousing.org.uk/release-joint-inquiry-with-the-appg-on-ending-homelessness-into-housing-solutions-for-homeless-households/>

property acquisitions, leasing and refurbishment/retrofit and an average of £5.1 million revenue funding per year to boost council staff capacity to bring more properties back into use. This fund should also be used to enable local authorities to fund the acquisition and conversion of smaller commercial buildings such as individual shops and small office buildings to provide genuinely affordable homes. The structure of the fund should draw on the learning from local authorities and other providers that have acquired empty homes and converted commercial buildings as part of the Rough Sleepers Accommodation Programme, the Single Homelessness Accommodation Programme and the Local Authority Housing Fund.

In addition to dedicated funding to tackle long term empty homes there is a strong case during the current housing market downturn to provide funding enabling social housing providers to acquire market housing. The Affordable Housing Commission estimate that a £1.3 billion National Housing Conversion Fund could deliver 42,500 new social and affordable homes, the majority of which would be at social rents. The Commission suggests targeting a major part of the fund at weaker housing markets, with grants contingent on improving housing conditions and supporting local economies. This would be expected to provide an immediate boost to the economy and offer wider economic benefits over 30 years, leading to an increase in economic activity worth £1.4 billion.⁴⁹

Crisis believes that exploring these options could make a significant difference to the delivery of more truly affordable rented homes in the short-term, forming one part of a long-term strategy to restore social housing to the second largest tenure. To ensure that new homes that are brought back into use are helping to end homelessness it will be critical to consider how they are allocated and to make sure they are made available to those in housing need, including the almost 100,000 households currently stuck in temporary accommodation.

3. Ring-fenced funding for support services

In order to enable an effective housing-led response to homelessness there is a pressing need to restore ring-fenced funding for support services that help people in mainstream housing sustain their tenancies and to protect the viability of specialist supported housing.

Since ring-fenced funding for housing-related support came to an end, the reduction in spending on support services has caused real difficulties for social landlords and charitable service providers. **This has helped to drive growth in reliance on the exempt supported housing sector, where higher rates of housing benefit have helped offset the withdrawal of support funding.** Too often this has resulted in poor quality provision delivered by landlords seeking to exploit higher benefit rates, with an absence of effective support.

The National Housing Federation have noted that failure to invest in good quality long term supported housing places a greater burden on health services and residential care.⁵⁰ The scale of investment required to meet needs was estimated at £1.6 billion in 2016,⁵¹ with current levels of need at least matching this. A commitment to restore ring-fenced funding for support would represent an important step in enabling people to live healthy lives in their own homes, while reducing demand on health services, residential care and emergency homelessness services.

4. Funding to enable successful implementation of the Supported Housing (Regulatory Oversight) Act

⁴⁹ Affordable Housing Commission (2020), [Report: A National Housing Conversion Fund: buying properties to boost affordable housing supply](#)

⁵⁰ National Housing Federation (2023) *Spring Budget 2023: National Housing Federation Submission*

⁵¹ Chartered Institute of Housing (2023) *CIH Submission to Chancellor's 2023 Spring Budget*

The Supported Housing (Regulatory Oversight) Act 2023 came into effect in August 2023, and DLUHC is expected to begin consultation on the implementation of the new powers and duties this Autumn.

While Ministers have confirmed that funding will be available for new burdens created by the Act, Government has not yet confirmed the scale of resources that will be made available. It will be critical that Councils are properly resourced to implement their new duties and powers and provide effective regulatory oversight of the supported housing sector. While licensing powers create scope for authorities to cover part of their costs from fees and penalties, additional resources will be required to enable councils to set up the new licensing regime alongside wider strategic duties created by the Act. It will also be critical that the fee charging structure is fair and proportionate and, in particular, that the financial viability of genuinely not for profit agencies is not undermined by either the new administrative obligations or fee structure of new oversight arrangements.

Local authorities have also raised concerns about their ability to attract suitably skilled staff to deliver the inspection and enforcement elements of the Act. Government should therefore work with the LGA and relevant professional representative bodies and provide appropriate levels of investment to build workforce capacity to help ensure effective implementation.

Finally, as noted above, there is an urgent need to restore dedicated and ring-fenced funding for housing related support. As council spending on support has decreased in the face of wider financial pressures, many reputable providers are struggling to make services viable, and there is a significant risk that more will leave the sector. As councils act against rogue operators, it will be essential that alternative housing options and effective support are available for households affected. Failure to ensure alternative options are in place creates a significant risk of increases in homelessness and rough sleeping, with consequent pressures and costs for local authorities and other public services. To help mitigate these risks, we urge Government to examine how Housing Benefit savings from decommissioned services could be repurposed to enable local authorities to increase commissioned provision of housing related support to meet identified local needs, alongside consideration of the case for restoring ring fenced funding.

Alongside these long-term investments, more immediate action can be taken to tackle rising levels of homelessness.

5. Funding for the national expansion of Housing First

Housing First has been shown to be an effective way of tackling and preventing homelessness for people experiencing severe and multiple disadvantage who also face complex challenges such as serious mental health issues, a history of trauma or substance dependency.⁵² Instead of asking people to move into temporary accommodation and demonstrate their 'tenancy-readiness', Housing First provides ordinary settled housing alongside intensive, person-centered support. A Housing First place is offered without conditions other than an individual's willingness to maintain their tenancy and provides a cost effective alternative to purpose built supported housing.

Crisis and Homeless Link estimate that at least 16,450 people would benefit from Housing First in England.⁵³ The most recent estimates of the actual scale of provision in 2020 suggested that only around 2,000 people had access to Housing First. This means that around 14,000 people in England with serious and complex support needs are missing out on this vital service. For many people in this situation that means revolving in and out of hostels, sleeping rough and staying in insecure and often

⁵² Mackie, P. et al. (2017) *Ending rough sleeping: what works? An international evidence review*. London: Crisis.

⁵³ Blood, I. et al. (2018) [Implementing Housing First across England, Scotland, and Wales](#). London: Crisis

unsafe environments. For some people it may involve spending time in prison before returning to temporary accommodation or street homelessness and then repeating the cycle. This cycle of homelessness is bad for the people affected, but it's also a poor use of public money. Crisis has calculated that a national rollout of Housing First providing 16,450 places, would cost £226 million per year but that these costs would be more than offset by the £280 million savings per year delivered through reduced use of other services. This means for every £1 invested in Housing First, there are savings of £1.24.⁵⁴

This cost benefit figure includes the cost of housing benefit for people moving into Housing First tenancies. The Government's updated Rough Sleeping Strategy recognises the value of Housing First but there is still no commitment to deliver places at the scale needed.⁵⁵

⁵⁴ Crisis (2021) *Home for All: The case for scaling up Housing First in England*. London: Crisis.

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