



# Ending rough sleeping: the role of supported housing

September 2017

**St Mungo's**  
Ending homelessness  
Rebuilding lives



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# A foreword from Outside In, the voice of St Mungo's clients

There's no place lower than the streets except for the grave.

After the dangers of being on the street, hostels are a safe space where people can access the appropriate services to address other issues, such as mental health. Having these crucial foundations in place means that people have the opportunity to rebuild their lives.

Good quality hostels are places that inspire hope and happiness, as well as a sense of security and independence. They give you a sense of belonging, instead of the isolation that is often felt on the street. They give people a new chance in life, and create opportunities to build new relationships, reconnect with family, learn new skills, and help people to reach success and prosper.

In the long run, this support means savings to public services. Helping people take better care of their health will stop people ending up in A&E, preventing costs to the NHS. We have also seen hostels break the cycle of reoffending. Investing in hostels will bring long term benefits to society. After all, people stuck sleeping rough tonight could become future tax payers.

But it's hard to get into hostels these days. We were shocked to hear that the number of beds in homelessness accommodation has reduced by 18% since 2010. A lack of supply means that accommodation is not available to people who need it, which creates pressure on local services.

We support the charities that provide these vital services. We hope that the government will listen to people who have experienced homelessness and hear our call to save hostels. If services are put at risk, where will people go in the future?

**Outside In members, on behalf of clients at St Mungo's**



# 1. Executive Summary

New funding proposals for supported housing put the country's primary route out of rough sleeping at risk. The number of people sleeping rough in England is rising, but despite growing political consensus that the situation is unacceptable, little has been done to protect vital services such as homeless hostels. Previous cuts have already resulted in a significant reduction in bed spaces since 2010. Current proposals would put even more services at risk of closure.

St Mungo's calls on ministers and MPs to scrap these plans and work with the sector to find a more secure funding system that can meet the needs of the thousands of people sleeping rough in England each night.

Rough sleeping has been rising in England for the past seven years. Official snapshot estimates indicate that 4,134 people slept rough on any one night in autumn 2016.<sup>1</sup> The latest figures from the Combined Homelessness and Information Network (CHAIN) database show that in London alone, 8,108 people were seen sleeping rough by outreach workers during 2016-17.<sup>2</sup>

In the run up to the 2017 General Election, each of the main political parties set out plans in their manifestos to take action. The Conservative Party committed to halve rough sleeping within the next parliament and to end rough sleeping by 2027. This report outlines the vital role of supported housing and hostels in achieving this important target.

Hostels provide 30,000 accommodation spaces for people who are homeless across England.<sup>3</sup> Most hostels today bear little resemblance to the hostels of previous decades, which offered very limited facilities and support. In contrast, good quality modern-day hostels and supported housing offer people the chance to move off the streets into stable accommodation, where they have the space and support they need to rebuild their lives and confidently move on to longer term accommodation.

In 2016, the government proposed significant funding reforms for the supported housing sector, placing the future security of these services at risk. The main system proposed by the government would limit the housing costs funded through Universal Credit or housing benefit to the one-bedroom Local Housing Allowance rate available to tenants in private accommodation. Any housing costs above this rate would be met through a 'top-up' fund devolved to local authorities. The consultation also proposed funding very short stays through a separate system outside Universal Credit.

These proposed reforms would restrict national funding based on entitlement to benefits, and replace it with highly insecure discretionary funding from local authorities. This change will put homeless hostels and supported housing projects at risk.

St Mungo's provides outreach for people sleeping rough, as well as hostels, supported housing and Housing First services that can help people rebuild their lives away from the street. Drawing on our experience providing these services, along with data analysis and the perspectives of our clients and staff, this report sets out the role of supported housing in ending rough sleeping.

## 1.1. The number of people sleeping rough with multiple and complex needs is rising

A growing number of people sleeping rough face multiple problems which make it harder to move off the streets. The latest data from London shows that 1,735 people slept rough with both mental health problems and substance use problems in 2016-17, up from 1,082 in 2011-12.

<sup>1</sup> Department for Communities and Local Government (2017) *Rough sleeping in England: autumn 2016* <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2016>

<sup>2</sup> Data from the Combined Homelessness and Information Network (CHAIN) <https://data.london.gov.uk/dataset/chain-reports>

<sup>3</sup> Department for Work and Pensions and Department for Communities and Local Government (2016) *Supported accommodation review: the scale, scope and cost of the supported housing sector* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/572454/r927-supported-accommodation-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/r927-supported-accommodation-review.pdf)

For people with multiple and complex needs, common barriers to ending rough sleeping include a shortage of mental health services that will work with people actively using drugs or alcohol, and difficulties engaging with outreach and housing services due to poor mental health.

Many people need support to keep their accommodation after sleeping rough. This support can be provided in different ways, including homeless hostels and other shared supported housing, floating support teams that visit people living in independent housing, and new approaches such as Housing First.

### **1.2. Supported housing is a primary route out of rough sleeping for those with additional needs, but demand exceeds supply**

Hostels for people who are homeless account for 30,000 of the 553,500 units of supported housing across England, and 19% of supported housing units for people of working age.<sup>4</sup> Supported housing is a major source of accommodation and support which allows people to move out of rough sleeping. Other supported housing for people facing domestic violence or for people moving out of hospital helps those who might otherwise be at risk of homelessness.

As rough sleeping has continued to rise, however, available places in supported housing have fallen due to cuts in local authority funding. Research by Homeless Link found that there was an 18% reduction in bed spaces available in homelessness accommodation between 2010 and 2016.<sup>5</sup>

### **1.3. Supported housing not only provides a safe place to stay, but also the support people need to recover from homelessness**

To understand how supported housing can help people move on from rough sleeping for good, we asked our clients and staff what support meant to them.

Working with St Mungo's client involvement group Outside In, we developed a working definition of supported housing that outlines how accommodation services can offer more than a roof:

*“Supported housing is a non-judgemental, stable environment where we are given consistent support to rebuild our lives. Keyworkers provide support around mental and physical health, as well as financial and employment advice, with a view to building confidence, fulfilling potential and moving into independence.”*

We also conducted interviews with managers from St Mungo's supported housing and London's No Second Night Out (NSNO) service, who told us how supported housing can help people to address their needs and build the necessary skills needed to move into independent accommodation.

### **1.4. Protecting supported housing is vital to end rough sleeping**

The government's efforts to end rough sleeping should include measures to prevent rough sleeping and pilot new ways to accommodate people sleeping rough. Current trends, however, suggest that the number of people sleeping rough will continue to rise rapidly if the government does not take immediate action to help people move on from rough sleeping as quickly as possible.

While prevention will be key to ending rough sleeping in the longer term, the most effective way to reduce the rise in rough sleeping in the short term will be to focus on maintaining and growing existing services that help people sleeping rough rebuild their lives away from the streets. Placing existing services on a secure footing will allow space for the homelessness sector to develop new and innovative approaches.

### **1.5. Recommendations**

In order to meet its commitment to end rough sleeping, the government must honour its pledge to protect and boost the supply of supported housing, while making sure that these services represent good value for money and work effectively for their residents. Current proposals do not provide the security the sector needs in order to maintain vital services and grow to accommodate the rising number of people sleeping rough each night.

<sup>4</sup> Ibid.

<sup>5</sup> Homeless Link's annual review of support for single homeless people, Weaver, L. 27 March 2017 <http://www.homeless.org.uk/connect/blogs/2017/mar/27/homeless-links-annual-review-of-support-for-single-homeless-people>

We therefore call on ministers to scrap current proposals and delay any change until Universal Credit is fully rolled out in 2022. The government should use this additional time to:

- **Consider funding for both support and housing when designing a new funding system for supported housing**

Supported housing services are paid for by a combination of local contracts for support and national funding for housing costs through the benefit system. Supported housing for those at risk of rough sleeping is specifically aimed at individuals with greater support needs, and providing these services requires investment in both support and housing. A long-term, sustainable funding system that provides value for money for the tax payer and for residents will need to take into account both funding streams.

- **Ensure that the future funding system reflects the true housing costs associated with the provision of supported housing**

Evidence provided by St Mungo's and others to the recent government consultation and joint select committee inquiry into the future funding of supported housing shows that the costs of providing supported housing in different parts of the country do not tend to move up and down in line with the applicable Local Housing Allowance (LHA) rates.<sup>6/7</sup> As a result, any system based on LHA rates risks creating arbitrary inequalities in the services available in different parts of the country and should be avoided.

- **Improve options for people moving out of supported accommodation so services do not silt up and scarce resources are used as effectively as possible**

Homeless hostels aim to provide transitional housing and support that helps residents to move on to more independent accommodation. A lack of appropriate and affordable accommodation is preventing people moving on and silting up hostel services. To ensure that this type of supported housing represents the best possible value for money, schemes such as Clearing House and Real Lettings, which provide long term social or private housing, need to be scaled up so people can move on as soon as they feel ready, particularly in high rent areas.

- **Work with the sector to find a sustainable funding solution for transitional supported housing that does not involve removing the benefit entitlement of large numbers of supported housing clients**

The nature of transitional supported housing services means that a significant number of clients stay for fewer than six weeks. Universal Credit is currently not set up to provide timely housing support for these shorter stays.

The government proposes to resolve this issue by removing the benefit entitlement of large numbers of supported housing clients and introducing an alternative funding system. This system is likely to be based on highly insecure discretionary funding from local authorities, putting the future viability of services at risk. To mitigate this risk, government must work with the sector to find a more suitable funding system which will:

- minimise the number of bed spaces funded in this way
- introduce statutory requirements for local authorities to assess local need for supported housing and produce clear plans on how they intend to meet this need
- provide adequate safeguards by ring-fencing local funding in a sustainable way



<sup>6</sup> St Mungo's (2017) *Response to consultation on funding for supported housing* <https://www.mungos.org/wp-content/uploads/2017/07/St-Mungos-response-to-the-DWP-and-DCLG-consultation-on-funding-for-supported-housing.pdf>

<sup>7</sup> St Mungo's (2017) *Written evidence to joint select committee enquiry on supported housing* <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidence-document/work-and-pensions-committee/future-of-supported-housing/written/46624.pdf>

# 2. The policy context - rough sleeping and supported housing in England

## 2.1. Ending rough sleeping

Over the past three decades, consecutive prime ministers and their governments have held the ambition to end rough sleeping for good.

In the 1990s, Conservative and Labour governments implemented the Rough Sleepers Initiative, which brought leadership and investment in outreach work, emergency accommodation and permanent housing for people sleeping rough.

In 1999, Tony Blair's Labour government set a target to cut rough sleeping by two thirds by 2002, which was achieved by the end of 2001. Those who remained on the streets tended to have the most severe mental health and substance use problems.<sup>8</sup>

In 2008, Gordon Brown announced his government's intention to eliminate rough sleeping 'once and for all' by 2012.<sup>9</sup> After the formation of the coalition government, David Cameron launched *Vision to end rough sleeping: No Second Night Out nationwide* in 2011.<sup>10</sup>

The progress made when consecutive prime ministers have made this a national priority clearly shows that rough sleeping is not inevitable. With the number of people sleeping rough continuing to rise, the government's clear commitment to halve rough sleeping in the coming parliament and eliminate it altogether by 2027 is both timely and achievable.

The cross-party working that led to the Homelessness Reduction Act in the last parliament, and the manifesto commitments to end rough sleeping made by the Labour Party and the Liberal Democrats in the run up to the 2017 General Election show that there is a strong political consensus on this issue. With the right leadership and concerted action across all parties, we can stop the scandal of rough sleeping in England.

## 2.2. The changing face of homeless hostels

Hostels offer people at risk of rough sleeping a safe place to stay and the support they need to rebuild their lives. Most modern-day hostels bear little resemblance to earlier services in this country or the emergency shelters present in countries like the USA or Canada, which provide basic shared dormitories in institutional environments with very limited facilities and support.

The images below show our Endell Street hostel in Covent Garden, London, in 2004, and post refurbishment, in 2017.



<sup>8</sup> Randall, G. and Brown, S. (2002) *Helping rough sleepers off the streets: A report to the Homelessness Directorate* <http://webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/housing/pdf/137995.pdf>

<sup>9</sup> Department for Communities and Local Government (2008) *No one left out: communities ending rough sleeping* [https://www.housinglin.org.uk/\\_assets/Resources/Housing/Support\\_materials/Other\\_reports\\_and\\_guidance/endingroughsleeping.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Other_reports_and_guidance/endingroughsleeping.pdf)

<sup>10</sup> Department for Communities and Local Government (2011) *Vision to end rough sleeping: No Second Night Out nationwide* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/62611/1939099.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62611/1939099.pdf)

In recent decades, hostels and supported housing services have evolved to better meet the needs of people who are homeless and at risk of homelessness. Significant capital investment from the government has helped to improve the facilities and design of hostel buildings, most recently through the Homelessness Change Fund.<sup>11</sup> Meanwhile, the homelessness sector has developed new ways of working with a focus on personalised support and recovery from the issues at the root of people's homelessness.

The result is a diverse sector serving a wide range of client groups. St Mungo's provides a bed and support to 2,700 people per night in our accommodation services, which range from small semi-independent housing projects to larger hostels with dedicated clusters for people at different stages of recovery. We run women-only hostels and projects designed specifically to support LGBTQ+ clients and young people.

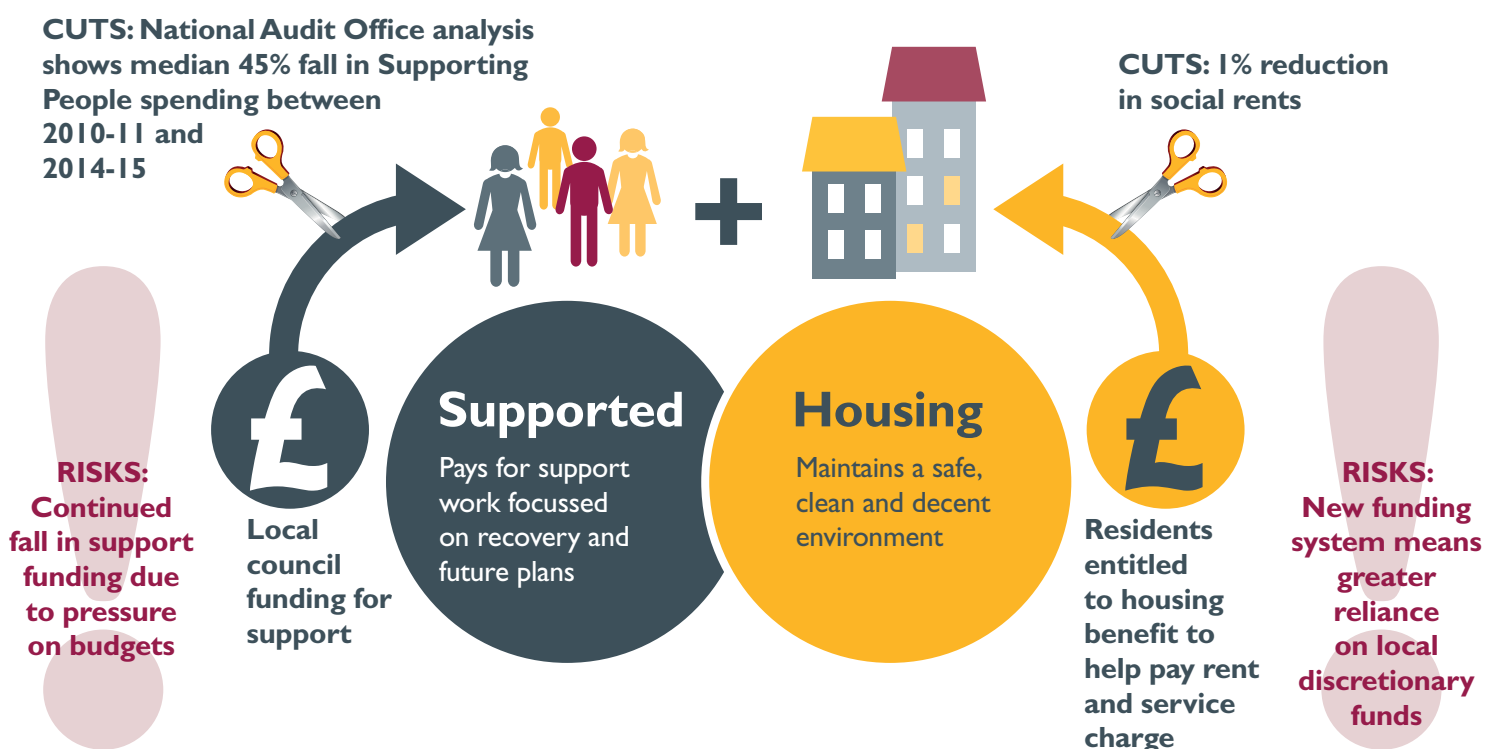
### 2.3. Funding reforms for hostels and supported housing

Supported housing services are paid for by a combination of local and national funding. At present, residents are entitled to have housing costs met through housing benefit.

Additionally, local authorities pay for support work to promote recovery and independence, including key working sessions and help navigating health, welfare and employment services.

Local funding for support has been under pressure for a number of years. Funding was originally provided as part of the national Supporting People programme, but the ring-fence around this funding was removed in 2009.<sup>12</sup> Many local authorities have fought hard to protect vital services, but in the wider context of local authority budget reductions, funding for support has been significantly eroded. National Audit Office analysis shows that between 2010-11 and 2014-15, Supporting People spending fell by a median of 45%.<sup>13</sup> Since this analysis was published, local authority funding has remained under continuous downwards pressure.<sup>14</sup> As a result, local funding for support has been subject to further cuts or is at immediate risk of further cuts in many areas.

In early 2015, the government announced mandatory one per cent annual cuts to social housing rents for four years. After a one-year exemption, the policy was applied to homeless hostels from April 2017, putting further pressure on budgets.



<sup>11</sup> See <https://www.gov.uk/government/collections/homelessness-change-2015-to-2017-guidance-and-allocations>

<sup>12</sup> See <http://researchbriefings.files.parliament.uk/documents/RP12-40/RP12-40.pdf>

<sup>13</sup> National Audit Office (2014) *The impact of funding reductions on local government* <https://www.nao.org.uk/wp-content/uploads/2014/11/Impact-of-funding-reductions-on-local-authorities.pdf>

<sup>14</sup> Local Government Association (2017) *Submission to the 2017 Spring Budget* <https://www.local.gov.uk/sites/default/files/documents/2017%20Spring%20Budget%20-%20Local%20Government%20Association%20submission.pdf>



## 2.4. Proposed further funding changes for hostels and supported housing

Before the 2017 General Election, the government consulted on a new funding model for the housing costs associated with supported housing. This was motivated by the roll-out of Universal Credit, which is due to be completed in 2022, and the need to ensure that housing costs in supported housing can work alongside this new working-age benefit system. It was also felt that the current system did not provide effective oversight of the quality or cost of provision.<sup>15</sup>

The main system proposed by government would limit the housing costs funded through Universal Credit or housing benefit to the applicable one-bedroom Local Housing Allowance rate. Any housing costs over and above this rate would be met through a 'top-up' fund devolved to local authorities in England and to the Scottish and Welsh governments in the devolved administrations. Recognising the challenges Universal Credit creates for very short term stays, the consultation proposed funding these services through a separate system outside of Universal Credit.

The responses to the government's consultation highlighted significant concerns around the proposed main funding system.<sup>16</sup> The joint inquiry by the Work and Pensions Select Committee and the Communities and Local Government Select Committee that ran alongside the consultation similarly recommended significant changes to the government's plans for reform.<sup>17</sup>

Meanwhile, the ongoing roll-out of Universal Credit is exposing significant problems with the set-up speed and accuracy of Universal Credit claims. By design, new claimants must wait at least five to six weeks for payment, but many are experiencing further delays.<sup>18</sup> As a result, a significant proportion of supported housing residents will move out before they receive their first Universal Credit payment.<sup>19</sup> Recent reports suggest that families living in temporary accommodation in Universal Credit full service areas are already experiencing these problems and accruing arrears at significant cost to local authorities.<sup>20</sup>

These problems, alongside the findings of the joint select committees, suggest that the government will need to substantially alter the proposed funding system if it is to meet its stated aim of protecting and boosting the supply of supported housing.

## 2.5. The Save Hostels – Rebuild Lives campaign

St Mungo's is campaigning to secure a sustainable future for hostels and supported accommodation. If the government is to fulfil its pledge to end rough sleeping by 2027, it must deliver on its commitment to protect and boost the supply of supported housing in a way that works for people who are homeless.

This report sets out the role of hostels and supported housing in making sure that this latest pledge to end rough sleeping is successful. These vital public services are the backbone of our national response to rough sleeping, and will play a crucial role in ending it for good.

<sup>15</sup> Department of Communities and Local Government and Department of Work and Pensions (2017) *Funding for supported housing* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/571013/161121\\_-\\_Supported\\_housing\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571013/161121_-_Supported_housing_consultation.pdf)

<sup>16</sup> Ibid

<sup>17</sup> Communities and Local Government and Work and Pensions Select Committee (2017) *Joint Report: Future of Supported Housing* <https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/867/867.pdf>

<sup>18</sup> See, for example, Citizen's Advice (2017) *Delivering on Universal Credit* <https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Delivering%20on%20Universal%20Credit%20-%20report.pdf>, and St Mungo's (2017) *Submission to Work and Pensions Select Committee Inquiry on Universal Credit roll-out* <https://www.mungos.org/wp-content/uploads/2017/07/St-Mungos-response-to-the-Work-and-Pensions-Committee-Inquiry-on-Universal-Credit-roll-out.pdf>

<sup>19</sup> During 2015 and 2016, 20% of departures from St Mungo's residential services involved clients who had stayed fewer than 30 days.

<sup>20</sup> 'UC policy to be reversed for homeless families'. 24housing, 27 March 2017 <http://www.24housing.co.uk/news/uc-policy-to-be-reversed-for-homeless-families/>

# 3. Understanding different routes away from the streets

The number of people sleeping rough in England is rising. Official snapshot figures show that 4,134 people were sleeping rough on any one night across England in autumn 2016, a 134% increase since the current methodology was introduced in 2010.<sup>21</sup>

Information from the CHAIN database used by outreach services in London shows that recent growth in rough sleeping across the capital has now stabilised, with 8,108 people seen sleeping rough by outreach workers throughout 2016-17 compared to 8,096 in 2015-16. However, rough sleeping remains at record high levels, and has doubled in London since 2010-11.<sup>22</sup> Rough sleeping is now rising faster outside the capital: while 2016 snapshot figures show a 3% increase in rough sleeping in London compared to the previous year, there was a 21% annual increase across the rest of the country.<sup>23</sup>

Most often, people start sleeping rough when relationships and housing arrangements break down – for example, at the end of a shorthold tenancy or once options for staying on friends' sofas are exhausted. However, these triggers should be understood in the context of wider structural issues.

An increasingly unaffordable housing market and rising costs and insecurity in the private rented sector<sup>24</sup> have left increasing numbers of people at risk of losing their housing. The end of a shorthold tenancy is now the most common single cause of homelessness.<sup>25</sup> Stagnant incomes and a tightening benefit regime have meant that more people are unable to afford their rent and fall into arrears.

People on low incomes facing homelessness are presented with limited options. Years of inadequate investment in social housing has contributed to long waiting lists and high eligibility thresholds, and reduced investment in supported housing is leading to a silting up of services. Meanwhile, funding has also been squeezed for other local services where people can turn for support, including mental health services.

There has also been an increase in the number of non-UK nationals who are sleeping rough in some areas of the country.<sup>26</sup> However, recent CHAIN figures show that the number of non-UK nationals sleeping rough in London is starting to decline. The proportion of UK nationals sleeping rough, on the other hand, is rising: 47% of people sleeping rough in London during 2016-17 were UK nationals, compared to 41% in 2015-16.



<sup>21</sup> Department for Communities and Local Government (2017) *Rough sleeping in England: autumn 2016* <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2016>

<sup>22</sup> Data from the Combined Homelessness and Information Network (CHAIN) <https://data.london.gov.uk/dataset/chain-reports>

<sup>23</sup> Department for Communities and Local Government (2017) *Rough sleeping in England: autumn 2016* <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2016>

<sup>24</sup> Office for National Statistics (2017) *Index of private housing rental prices (IPHRP) in Great Britain: July 2017* <https://www.ons.gov.uk/releases/indexofprivatehousingrental-pricesiphrgreatbritainjuly2017>

<sup>25</sup> Department for Communities and Local Government (2017) *Statutory homelessness and prevention and relief live tables* <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

<sup>26</sup> Data from the Combined Homelessness and Information Network (CHAIN) <https://data.london.gov.uk/dataset/chain-reports>

### 3.1. A growing proportion of people sleeping rough require support for multiple and complex needs

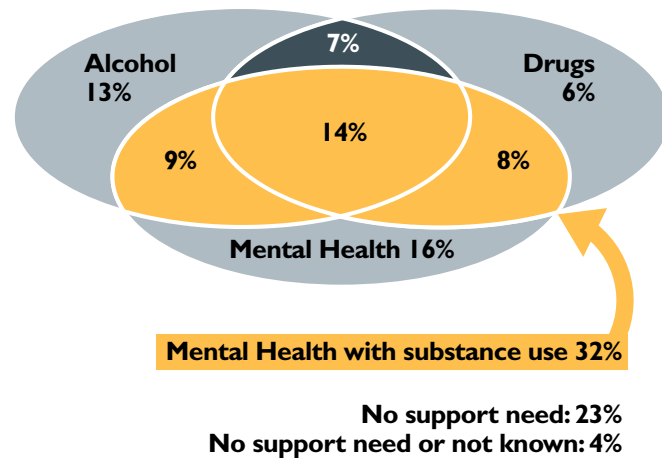
Research shows that a growing number of people sleeping rough face multiple and complex needs that act as a barrier to moving off the streets<sup>27</sup>. This is compounded by a shortage of services that will work with people using substances, and a lack of engagement with services due to poor mental health.

Some people come to the streets with existing complex problems. The correlation between rough sleeping and multiple disadvantage has been highlighted in previous studies,<sup>28</sup> suggesting homelessness is often rooted in other forms of exclusion.<sup>29</sup> Research by the Joseph Rowntree Foundation shows that homelessness often occurs after contact with non-housing agencies such as mental health services, drug agencies and the criminal justice sector.<sup>30</sup>

Rough sleeping is harmful and dangerous, and it can exacerbate existing mental and physical health problems. Research from St Mungo's suggests that rough sleeping is linked to deteriorating mental health<sup>31</sup> and places people at increased risk of violent crime, early death and suicide.<sup>32</sup> Prolonged rough sleeping can contribute to substance use problems as well as an increased likelihood of contact with the criminal justice system.<sup>33</sup>

In London, the number of people identified as sleeping rough with a support need has risen in recent years. The Combined Homelessness and Information Network (CHAIN) records the support needs of people who are seen sleeping rough by an outreach worker in London. Along with rising levels of rough sleeping, the number of people sleeping rough with multiple support needs around mental health and substance use has also increased. In 2016-17, 1,735 people with multiple support needs slept rough in London, up from 1,082 in 2011-12.<sup>34</sup> In 2016-17, 1,735 people with multiple support needs slept rough in London.

**Figure 1: Percentage of people sleeping rough in London with mental health and substance use support needs, 2016-17<sup>35</sup>**



Data from London's No Second Night Out (NSNO) service, which provides assessment and reconnection for people sleeping rough for the first time, also shows an increase in people sleeping rough with multiple support needs. The proportion of new rough sleepers entering NSNO hubs with complex needs increased from 29% in 2011-12 to 36% in 2015-16.<sup>36</sup>

### 3.2. For many, breaking the cycle of homelessness means more than a safe place to stay

The journey from life on the streets to long-term accommodation is different for everyone. Some people may be able to move into independent accommodation immediately, with support available from their friends, family and community. Many others need more intensive support from services to maintain a tenancy.

This support can be provided in different ways. This report focusses on homeless hostels and other forms of supported housing. Floating support is another option, in which keyworkers support clients living in independent housing.

<sup>27</sup> St Mungo's (2016) *Stop the Scandal: the case for action on mental health and rough sleeping* <http://www.mungos.org/documents/7430/7430.pdf>  
<sup>28</sup> Joseph Rowntree Foundation (2016) *UK poverty: Causes, costs and solutions* <https://www.jrf.org.uk/report/uk-poverty-causes-costs-and-solutions>  
<sup>29</sup> [https://www.hw.ac.uk/schools/energy-geoscience-infrastructure-society/documents/MEH\\_Briefing\\_No\\_1\\_2012.pdf](https://www.hw.ac.uk/schools/energy-geoscience-infrastructure-society/documents/MEH_Briefing_No_1_2012.pdf)  
<sup>30</sup> McDonagh, T. (2011) *Tackling homelessness and exclusion: Understanding complex lives* [http://www.homeless.org.uk/sites/default/files/site-attachments/Roundup\\_2715\\_Homelessness\\_aw.pdf](http://www.homeless.org.uk/sites/default/files/site-attachments/Roundup_2715_Homelessness_aw.pdf)  
<sup>31</sup> St Mungo's (2016) *Stop the Scandal: the case for action on mental health and rough sleeping* <http://www.mungos.org/documents/7430/7430.pdf>  
<sup>32</sup> St Mungo's (2016) *Nowhere safe to stay: the dangers of sleeping rough* <http://www.mungos.org/documents/7414/7414.pdf>  
<sup>33</sup> St Mungo's (2016) *Stop the Scandal: the case for action on mental health and rough sleeping* <http://www.mungos.org/documents/7430/7430.pdf>  
<sup>34</sup> Data from the Combined Homelessness and Information Network (CHAIN) <https://data.london.gov.uk/dataset/chain-reports>  
<sup>35</sup> The base figure (n=5,518) for this diagram excludes clients where none of the three support needs were known or assessed  
<sup>36</sup> Complex needs is defined here as a mental health need with a substance use need

## Who is entitled to housing and support?

People who are homeless have very different entitlements to housing and support depending on their personal circumstances.

In England, the 1977 Homeless Persons Act – subsequently incorporated into the 1996 Housing Act – places a duty (often referred to as the **‘main homelessness duty’**) on local authorities to house people who are homeless or are threatened with homelessness.

For the duty to apply, people must have a local connection to the area, be found not to have made themselves homeless intentionally, and fit within ‘priority need’ categories. ‘Priority need’ categories include living with dependent children, being pregnant or particularly vulnerable due to old age or illness.

People who are homeless who do not meet these criteria are often referred to as **‘single homeless’** people. This includes many individuals and couples without dependent children who are sleeping rough. Local authorities must provide single homeless people with advice and assistance, but in reality this is often very limited.<sup>37</sup>

Housing and support for single homeless people sleeping rough in England is provided at the discretion of the local authority and is not a legal obligation. Local authorities control access to supported housing by establishing local referral routes, which can vary by area.

The new **Homelessness Reduction Act** received royal assent in April 2017. When it is implemented, the Act will place further duties on local authorities to help prevent and relieve homelessness regardless of priority need. The impact of the Act on rough sleeping in particular will depend on the guidance drawn up for local authorities.

An individual's **immigration status** can make it difficult to access housing and support. Some people have a residence permit allowing them to live in the UK with no recourse to public funds, meaning that they cannot claim housing assistance or most benefits. People from the European Economic Area (EEA) who are not working may not be able to claim housing benefit to pay rent in hostels or private housing. If people without entitlements to housing benefit end up sleeping rough, their options can be extremely limited.

New approaches to housing and support are currently being tested and refined for use in the UK. The Housing First model, which originated in North America, provides long-term housing and personalised support to people with a history of rough sleeping. St Mungo's is one of the main providers of Housing First projects in England, managing eight Housing First services – offering more than 80 bed spaces – for people with a long history of rough sleeping and complex needs. The approach is to house people first in independent tenancies and then provide person-centred support. For many people, having settled accommodation can be a motivation in itself, and can act as an incentive to focus on the future, build on their strengths and address other support needs.

### 3.3. Hostels and supported housing provide an important route off the streets, but demand exceeds supply

Supported housing is the primary source of accommodation and support for single homeless people, and will play a major role in efforts to end rough sleeping. It is designed for people who need additional support in order to maintain a successful tenancy.

A 2016 joint review by the Department for Communities and Local Government (DCLG) and the Department for Work and Pensions (DWP) estimates that there are 553,500 units of supported housing across England, accounting for 14% of total social rented stock. Much of this supported housing – 71% – is sheltered accommodation for older people. Hostels for people who are homeless account for 30,000 units, which equates to 5% of total supported housing units and 19% of supported housing units for people of working age.<sup>38</sup>

<sup>37</sup> See St Mungo's (2016) *Nowhere safe to stay: the dangers of sleeping rough* <http://www.mungos.org/documents/7414/7414.pdf> and Crisis (2014) *Turned away: The treatment of single homeless people by local authority homelessness services in England* [https://www.crisis.org.uk/media/20497/turned\\_away\\_es2014.pdf](https://www.crisis.org.uk/media/20497/turned_away_es2014.pdf)

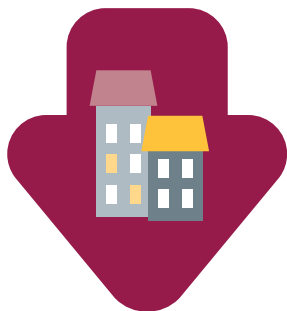
<sup>38</sup> Department for Work and Pensions and Department for Communities and Local Government (2016) *Supported accommodation review: the scale, scope and cost of the supported housing sector* [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/572454/r927-supported-accommodation-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/r927-supported-accommodation-review.pdf)

The proportion of supported housing for people who are homeless in Scotland is notably higher than in England and Wales, with 10% of total supported housing units allocated to single homeless people. This may to some extent reflect the difference in statutory duties for homeless people in Scotland.<sup>39</sup>

The supply of supported housing bed spaces for people at risk of sleeping rough is currently failing to keep up with demand.



**Rough sleeping up  
134%  
since 2010**



**Bed spaces in  
homelessness  
accommodation  
down  
18%  
since 2010**



The increase in the demand for supported accommodation has coincided with a diminishing supply. Research by the National Housing Federation found a shortfall of 15,600 places in supported housing for working aged people in 2015-16, representing over 14% of existing supply.<sup>40</sup> Research by Homeless Link found an 18% reduction in bed spaces available in homelessness accommodation between 2010 and 2016.<sup>41</sup>

In February 2016, St Mungo's published findings from a survey of 225 street outreach workers across all English regions.<sup>42</sup> Most homelessness professionals we surveyed told us that there was not enough supported accommodation available in their area for people sleeping rough with support needs.

78% of survey respondents said that there was not enough supported accommodation in general available for their clients, while 86% said that there was insufficient specialist mental health supported accommodation available.

“The number of rough sleepers has risen sharply while the number of supported accommodation beds has stayed the same. Move-on places from supported accommodation have decreased and [there is a] general shortage of local authority places so in effect people stay in supported accommodation longer.”  
**Outreach worker**

Outreach workers also cited long waiting times and high thresholds as common barriers to accessing appropriate accommodation.

“There is no open access supported accommodation in our local town. Thresholds for specialist mental health supported accommodation are high and cannot be accessed without a care plan which in practice means without a period in a mental health inpatient unit.”  
**Outreach worker**

<sup>39</sup> Priority need was officially abolished by the Scottish Government in 2012, meaning councils in Scotland have a duty to provide settled accommodation to anyone who is unintentionally homeless

<sup>40</sup> National Housing Federation (2015) *Supported Housing: Understanding need and supply* [http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Supported\\_housing\\_understanding\\_needs\\_and\\_supply.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Supported_housing_understanding_needs_and_supply.pdf)

<sup>41</sup> Homeless Link (2017) *Support for single homeless people in England: Annual Review 2016* <http://www.homeless.org.uk/sites/default/files/site-attachments/Full%20report%20-%20Support%20for%20single%20people%202016.pdf>

<sup>42</sup> St Mungo's (2016) *Stop the Scandal: an investigation into mental health and rough sleeping* <http://www.mungos.org/documents/7021/7021.pdf>

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Challenges of supply and demand are causing bottlenecks in the system, particularly in areas where both supported housing and longer-term accommodation are in short supply. If people are unable to move on from hostels and into longer-term housing, the system becomes silted up, creating a barrier to people leaving the street.

Staff at London's NSNO service have told us that it is becoming increasingly difficult to move people into supported housing. The most recent data shows that the average length of stay in the NSNO assessment hubs increased from under five days in 2011-12 to over 12 days in 2015-16.

Long stays lead to capacity problems at NSNO hubs. When the hubs are full to capacity, they are forced to refuse new referrals, meaning more people are unable to access support.

Supported housing is a major route off the street for many people who are sleeping rough and require support. As the levels of rough sleeping increase, it is vital that the provision of hostel bed spaces meets future demand.

In the next section, we explore the reasons why supported housing is an important route out of rough sleeping, and the ways in which hostels support people to move on from homelessness and rebuild their lives.

# 4. How can supported housing end rough sleeping?

Most supported housing for homeless people is a stepping stone in the journey from the street towards longer-term independent accommodation. By providing a safe place where people can build on their strengths and receive support when they need it, supported housing helps to equip people to maintain a longer-term home and leave the streets behind for good.

We worked with St Mungo's client involvement group, Outside In, to develop a definition of supported housing that reflects their experience:

“Supported housing is a non-judgemental, stable environment where we are given consistent support to rebuild our lives. Keyworkers provide support around mental and physical health, as well as financial and employment advice, with a view to building confidence, fulfilling potential and moving into independence.”  
**Members of Outside In**

Supported housing provides accommodation for people at moments of extreme vulnerability in their lives. Last year, St Mungo's supported housing projects accommodated 1,036 people with a history of rough sleeping<sup>43</sup>, many of whom were dealing with issues caused or exacerbated by their time on the streets, such as substance use and mental health problems.

To understand how supported housing helps people move away from rough sleeping, we analysed data from St Mungo's client information system, conducted interviews with managers in St Mungo's supported housing and drew on previous in-depth interviews with St Mungo's residents with a history of sleeping rough.<sup>44</sup> In this chapter, we present evidence about how supported housing works, and the short and long-term outcomes it can achieve.

## 4.1. What is support?

Supported housing is more than just a roof. Staff in supported housing projects help people to make a sustained recovery by supporting them to address the reasons behind their homelessness and overcome barriers to sustaining long-term housing in the future.

We interviewed six managers and staff across a range of St Mungo's supported housing and hostels to understand how they viewed the way they supported people. We also re-analysed interview data from St Mungo's clients with a history of sleeping rough, collected as part of research on mental health and rough sleeping<sup>45</sup>, as well as interviews with people living in St Mungo's supported accommodation projects.<sup>46</sup>

“I've got my key worker there [...] any time I need to talk, I can go and see her if I want.”  
**St Mungo's client**

“They will listen to you whether it takes one minute or an hour. There's support from everyone.”  
**St Mungo's client**

<sup>43</sup> Figures taken from the 2016 St Mungo's Client Needs Survey of 1,949 clients who were supported by St Mungo's in a residential service on 15 August 2016

<sup>44</sup> St Mungo's (2016) *Stop the Scandal: an investigation into mental health and rough sleeping* <http://www.mungos.org/documents/7021/7021.pdf>

<sup>45</sup> Ibid

<sup>46</sup> St Mungo's (2017) *Save hostels rebuild lives: it takes more than a roof to rebuild lives* <http://www.mungos.org/documents/7587/7587.pdf>

Managers told us that support can include linking clients in with specialist services such as drug and alcohol or NHS services, supporting clients to attend appointments, helping clients build positive relationships and helping to secure financial independence.

At its core, support is about building positive relationships. Keyworkers can build trust and offer opportunities for people to engage in their own recovery. At the same time, clients have the freedom to engage in support when they feel ready. Managers at St Mungo's services told us that recovery plans are led by clients, and support is tailored to the needs of the individual.

"I felt myself [...] feeling more normal again. From being down in the dumps and in chaos, I felt more like myself and that I could make progress. I had freedom to operate in a way that would be good for my recovery, and I was given that space and the support to be able to do so. I had the support there to know that when I was feeling a little off-kilter, whenever something happened that might have otherwise hindered my recovery, there was someone there."

**St Mungo's client**

## 4.2. What types of support do people receive?

Each night, St Mungo's provides a bed and support for 2,700 people who are homeless or at risk of homelessness. These services are designed to meet a variety of needs.

**2,700**



### 4.2.1. A safe environment

First, hostels must provide safe accommodation for people who have experienced the harms and dangers of sleeping rough.

"Living somewhere that is secure, where the building is secure, where you have your own space [...] removes a lot of the circumstances where violence can occur."

**St Mungo's hostel manager**

Providing a safe environment is vital for clients who have often experienced trauma and violence not just on the streets, but throughout their lives. 23% of St Mungo's clients with a history of sleeping rough have experienced violence or abuse from a partner or family member, rising to 54% among female clients.<sup>47</sup>

To help our clients feel safe and supported, St Mungo's is developing Psychologically Informed Environments (PIEs) across a range of our housing projects.

PIEs take steps to understand the mental health needs of the people that inhabit them. In practice, this means hostels and care environments are aware of how physical environment, culture and interactions between clients and staff can have an impact on residents' mental health.<sup>48</sup> Developing a PIE can help to provide a feeling of safety, a sense of trust, a greater understanding of behaviour and relationships with others, and a sense of community.

### Case study: A St Mungo's women-only service

A St Mungo's hostel in South London provides intensive support for vulnerable women with experiences of domestic and sexual abuse. The service uses a trauma informed approach, which looks at how past experiences impact upon a person and manifest themselves in actions and behaviour. Clients are given control over the way that they engage with support, and care packages are negotiated between clients and key workers.

The focus is on establishing safety and security. The first stage hostel is a gated property, with CCTV and 24 hour support on site. Trained psychotherapists provide therapy sessions and work with project staff to support clients to deal with traumatic experiences, including childhood trauma, assault and having children taken into care. Clients can access support at any time.

There are three phases of accommodation in the service, offering a clear progression route towards independence.

<sup>47</sup> 2016 St Mungo's Client Needs Survey

<sup>48</sup> See Breedvelt, J.F. (2016) *Psychologically Informed Environments: A Literature Review* <http://www.mungos.org/documents/6991/6991.pdf>



## 4.2.2. Physical and mental health

Rough sleeping is particularly damaging for someone's physical health, and often results in long term health problems.<sup>49</sup> According to a survey of 1,036 St Mungo's clients with a history of sleeping rough, 49% had a physical health condition that had a substantial effect on their health and requires on-going treatment or medication.<sup>50</sup>

**"A lot of people who use substances and have poor diets and understanding of nutrition have related complications. These are exacerbated by homelessness and [by] mental health medication."**

**St Mungo's hostel manager**

Unplanned use of hospital services is common among people who have slept rough, and the hospital treatment costs for homeless people are four times higher than the general population.<sup>51</sup> Supported housing can help people navigate the health system, register with a GP and build skills to manage their own health in a planned way, reducing the use of emergency healthcare services.

In August 2016, 92% of St Mungo's clients with a history of rough sleeping were registered with a GP.

**"We have good relationships with local GPs who can get them registered, get them a health check."**

**St Mungo's hostel manager**

74% of St Mungo's supported housing residents who have slept rough experience a mental health problem.<sup>52</sup> People with a history of rough sleeping often require ongoing mental health support when they move into stable accommodation and are in a better position to focus on their mental health.<sup>53</sup>

Keyworkers support clients to maintain contact with external mental health services, building back trust that may have been lost previously. This may be achieved by accompanying people to appointments and working in a way that is best suited to the client.

**"Part of our role is to either make initial referrals or support that person's relationship with the external agency. That might mean accompanying them to appointments, setting up meetings in the hostel to include external workers [...] It can look like whatever the client wants it to look like really."**

**St Mungo's hostel manager**

Hostel managers told us that their work often involves supporting people to express their own experiences using language that external mental health services can understand.

**"I worked with someone who used a lot of heroin and also heard a lot of voices, and we spent a lot of time writing it all down as it happened in a bit of a log, so that when they went to the psychiatrist, they could, kind of see it without having to talk about it. It was in their language. It's like a little bit of a journal of what he was feeling at different points, to help that professional get a better idea of where they were at."**

**St Mungo's hostel manager**

## 4.2.3. Drugs and alcohol

Many people living in St Mungo's supported accommodation are dealing with active substance use problems, often linked closely with their physical and mental health. Substance use is often a coping strategy that people have used while living on the streets or managing their own mental health.<sup>54</sup>

Some supported housing requires that residents are clean and abstinent, but many homelessness accommodation projects support people actively using drugs and alcohol to come into accommodation so they can address their substance use in a supportive environment. In St Mungo's supported housing projects, staff and clients look at the impact that substance use has on the individual, and explore opportunities to engage with support.

<sup>49</sup> St Mungo's (2014) *Homeless Health Matters: the case for change* <http://www.mungos.org/documents/5390/5390.pdf>

<sup>50</sup> 2016 St Mungo's Client Needs Survey

<sup>51</sup> Homeless Link (2014) *The unhealthy state of homelessness: health audit results 2014* <http://www.homeless.org.uk/sites/default/files/site-attachments/The%20unhealthy%20state%20of%20homelessness%20FINAL.pdf>

<sup>52</sup> 2016 St Mungo's Client Needs Survey

<sup>53</sup> St Mungo's (2016) *Stop the Scandal: the case for action on mental health and rough sleeping* <http://www.mungos.org/documents/7430/7430.pdf>

<sup>54</sup> St Mungo's (2016) *Stop the Scandal: the case for action on mental health and rough sleeping* <http://www.mungos.org/documents/7430/7430.pdf>

“The idea is that we would meaningfully engage with someone to reduce their alcohol, and manage their behaviours. But most importantly, find things that they love and enjoy, so that it reduces their drinking, or their substance use.”

**St Mungo’s hostel manager**

#### 4.2.4. Working with complex and multiple needs

For some people living in supported housing, a combination of physical and mental health problems, social care needs and substance use, pose a clear and ongoing threat to their personal safety. Managers told us that some clients require 24 hour support in order to stay safe.

“The amount of people that I have had to give CPR to, the amount of people that we have supported to not die through overdoses. I had a woman who overdosed seven times in one week [...] In a home that isn’t supported, those people will die.”

**St Mungo’s hostel manager**

Hostel managers expressed concerns that, without the constant support of staff in a hostel setting, some clients would be at serious risk.

“A lot of our clients are regularly experiencing suicidal thoughts. And if they are living alone with somebody that only calls them every so often, or sees them once a month, the risk around that person increases massively [...] through risk of overdose, through risk of self-harm and suicide attempts, risks around their ability to manage positive relationships with others, with their neighbours. So there is a very big difference for people who live completely on their own, without the support that’s available 24 hours a day in a hostel setting.”

**St Mungo’s hostel manager**

“Some people who have been living on the streets for 20 years, who have had incredibly traumatic and damaging lives, and the idea that they can just turn that around just cause you give them a flat [...] It’s not just about housing, it’s about the support of relationships, the support of therapy and the support of the environment around them, [which] will help people be able to get their life back together themselves and be able to be successfully living with less and less support.”

**St Mungo’s hostel manager**

#### 4.2.5. Building skills and strengths for the future

Supported housing plays a critical role in empowering people and enabling them to reach their full potential. Hostel managers told us that many clients need a period of stability in settled accommodation to rebuild their lives.

Support work is based not just on the immediate needs of the client but also the future aspirations and individual strengths of each person, equipping people to move forward into long-term accommodation with a sense of purpose and motivation.

“[Clients] can be helped to make that transition from being on the streets on their own and isolated, and probably very vulnerable, back in the community.”

**St Mungo’s hostel manager**

“When I had nothing, everything I wanted I had to put onto paper, and they’d make sure that I would achieve that. I got my debts cleared, I got rehoused, I got my benefits sorted out, all these little things build those pages, and before you know, it turns into the book. I would say it was more than a foundation, it showed me what it meant, how to be a person again.”

**St Mungo’s client**

According to data from St Mungo's Client Needs Survey, 47% of current residents who were previously sleeping rough are now actively engaged in work, volunteering within the community or studying and training activities. This can help build self-esteem, develop skills and social networks away from the streets.

“[It's] about creating a space where people have some belief in themselves and their capacity to change their circumstances.”

**St Mungo's hostel manager**

“[Hostels] are intended to be a short term solution and I think they are very very effective at giving people time to find themselves, and the ability to explore things that they might actually enjoy so that they can learn to love themselves again.”

**St Mungo's hostel manager**

#### 4.2.6. Financial stability

Supporting clients to successfully manage their own finances is a core element of support work, and vital to the success of future tenancies. A history of debt is common among supported housing residents, and 42% of our clients have difficulties budgeting their money.<sup>55</sup>

Managers told us that dealing with finances can be particularly difficult for clients with a long history of rough sleeping who are adjusting to life away from the street. Someone who has recently slept rough may not have a bank account and may require extra support when setting up a new benefit claim.

For many clients, navigating a changing benefits system is an important part of establishing financial stability for the future. Assistance with benefits may also include supporting clients to deal with set-backs, delays and problems with their claim. Keyworkers support clients to make a new claim, attend medicals, and support cases at mandatory reconsideration and tribunal stages.

“People with complex needs struggle from time to time to even collect their post and open it to find out what it is the DWP want from them. For some people with very complex needs, maintaining a live benefit claim is a bit of a struggle. And therefore retaining their accommodation is also a struggle.”

**St Mungo's hostel manager**

#### 4.3. What are the long-term outcomes of supported housing?

Hostels and supported accommodation are designed to be stepping stones towards suitable and affordable long-term accommodation, and building skills to maintain a tenancy is the primary aim of support work. At the same time, many clients also make significant progress in other areas, bringing savings to the public purse.

##### 4.3.1. Supporting people to find and keep longer-term accommodation

In the last five years, St Mungo's has achieved 10,843 planned departures for clients living in our supported housing services. 77% of all departures over the period were planned. Planned departures include moves to other supported housing services within the local authority 'pathway', moves into the private rented sector and into accommodation with family or friends.<sup>56</sup>

Staff working at St Mungo's supported housing projects say it is becoming more difficult for people to move on from supported accommodation when they are ready to live independently, especially in London and other areas where the cost of housing is high. Of the 868 people in St Mungo's supported accommodation who were assessed as ready to move on in August 2016, only 41% had accommodation with the right level of support available to them.<sup>57</sup>

<sup>55</sup> St Mungo's 2016 Client Needs Survey

<sup>56</sup> St Mungo's internal data for the period between 1 January 2012 and 1 January 2017

<sup>57</sup> St Mungo's 2016 Client Needs Survey

It is particularly challenging to secure adequate accommodation that is affordable at the local housing allowance (LHA) rates of housing benefit available to people renting privately. In central London, rents are so high that renting a property at the applicable LHA rate would trigger the benefit cap, meaning that there will be fewer options available for people who claim housing benefit. Increasing demand for private rented accommodation, moreover, has led to some landlords refusing to let to people claiming housing benefit.<sup>58</sup> These bottlenecks lead to homelessness services silting up as people are unable to move on, and fewer bed spaces are available for people sleeping rough.

#### 4.3.2. Preventing people from returning to the streets

Supported housing provides beds that allow people sleeping rough to leave the streets, as well as support for people who are at risk of sleeping rough. The ultimate aim is that people do not return to the streets and are able to build the skills and confidence needed to live independently.

A study by King's College London examines the experiences and long term outcomes of homeless people who were resettled into different types of accommodation.<sup>59</sup> The study found that people who were resettled in social housing had better housing outcomes than those who moved into the private rented sector:

Data from London's NSNO service shows that since 2011, 85% of people who have been placed in supported accommodation by the service have not been seen sleeping rough again.<sup>60</sup> This compares favourably to the overall rate of 75% of people not seen sleeping rough again after being placed in all kinds of accommodation. Caution must be applied when interpreting these figures as factors such as deteriorating mental and physical health and visits to hospital can contribute to repeat rough sleeping.

Qualitative data illustrates the real impact that supported housing has on people's lives.<sup>61</sup> However, there is a clear need for large-scale research that compares the long-term outcomes of supported housing with other types of accommodation.

#### 4.3.3. Cost savings for other public services

By helping people to move on from homelessness and rough sleeping, supported housing prevents costs which would otherwise be incurred by local authorities, the police, and the criminal justice and health systems. Supported housing can also help reduce people's use of emergency healthcare, breaking a cycle of expensive readmissions and A&E use.

Accommodating single homeless people with support needs in specialist housing saves an estimated £6,703 per person annually by reducing costs to health, social care and criminal justice services.<sup>62</sup>

<sup>58</sup> House of Commons Library (2017) *Briefing paper: Rough sleeping (England)* <http://researchbriefings.files.parliament.uk/documents/SN02007/SN02007.pdf>

<sup>59</sup> Crane, M., Joly, L. and Manthorpe, J. (2016) *Rebuilding Lives: Formerly homeless people's experiences of independent living and their longer-term outcomes* <http://www.kcl.ac.uk/sspp/policy-institute/scwru/pubs/2016/reports/RebuildingLives2016Report.pdf>

<sup>60</sup> Data taken from London's No Second Night Out service – departure information from 2011 – present

<sup>61</sup> See, for example, St Mungo's (2017) *Save hostels rebuild lives: it takes more than a roof to rebuild lives* <http://www.mungos.org/documents/7587/7587.pdf>

<sup>62</sup> Frontier Economics (2010) *Financial benefits of investment in specialist housing for vulnerable and older people* [www.frontier-economics.com/documents/2014/06/financial-benefits-of-investment-frontier-report.pdf](http://www.frontier-economics.com/documents/2014/06/financial-benefits-of-investment-frontier-report.pdf)

# 5. Conclusion and recommendations

In the run up to the 2017 General Election, the Conservative Party pledged to halve rough sleeping by 2022 and eliminate it altogether by 2027. Similarly the Labour Party and the Liberal Democrats made strong commitments to end rough sleeping, bringing a clear cross-party consensus.

This report highlights that protecting and boosting the supply of homeless hostels and other forms of supported housing for people sleeping rough needs to be a key part of any strategy to end the national scandal of rough sleeping in England. The number of people sleeping rough with multiple and complex needs is rising, and supported housing is a primary route out of rough sleeping for this group. Yet the demand for these services currently exceeds supply and a lack of move-on options is leading to the silting up of services.

In order to meet its commitment to end rough sleeping, the government must honour its pledge to protect and boost the supply of supported housing, while making sure that these services represent good value for money and work effectively for their residents. Current proposals do not provide the security the sector needs in order to maintain vital services and grow to accommodate the rising number of people sleeping rough each night.

We therefore call on ministers to scrap current proposals and delay any change until Universal Credit is fully rolled out in 2022. The government should use this additional time to:

## 5.1. Consider funding for both support and housing when designing a new funding system for supported housing

Supported housing services are paid for by a combination of local contracts for support and national funding for housing costs through the benefit system. Supported housing for those at risk of rough sleeping is specifically aimed at individuals with greater support needs, and providing these services requires investment in both support and housing. A long-term, sustainable funding system that provides value for money for the tax payer and for residents will need to take into account both funding streams.

## 5.2. Ensure that the future funding system reflects the true housing costs associated with the provision of supported housing

Evidence provided by St Mungo's and others to the recent government consultation and joint select committee inquiry into the future funding of supported housing shows that the costs of providing supported housing in different parts of the country do not tend to move up and down in line with the applicable Local Housing Allowance (LHA) rates.<sup>63 / 64</sup> As a result, any system based on LHA rates risks creating arbitrary inequalities in the services available in different parts of the country and should be avoided.

<sup>63</sup> St Mungo's (2017) *Response to consultation on funding for supported housing* <https://www.mungos.org/wp-content/uploads/2017/07/St-Mungos-response-to-the-DWP-and-DCLG-consultation-on-funding-for-supported-housing.pdf>

<sup>64</sup> St Mungo's (2017) *Written evidence to joint select committee enquiry on supported housing* <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidence-document/work-and-pensions-committee/future-of-supported-housing/written/46624.pdf>

### **5.3. Improve options for people moving out of supported accommodation so services do not silt up and scarce resources are used as effectively as possible**

Homeless hostels aim to provide transitional housing and support that helps residents to move on to more independent accommodation. A lack of appropriate and affordable accommodation is preventing people moving on and silting up hostel services. To ensure that this type of supported housing represents the best possible value for money, schemes such as Clearing House and Real Lettings, which provide long term social or private housing, need to be scaled up so people can move on as soon as they feel ready, particularly in high rent areas.

### **5.4. Work with the sector to find a sustainable funding solution for transitional supported housing that does not involve removing the benefit entitlement of large numbers of supported housing clients**

The nature of transitional supported housing services means that a significant number of clients stay for fewer than six weeks. Universal Credit is currently not set up to provide timely housing support for these shorter stays.

The government proposes to resolve this issue by removing the benefit entitlement of large numbers of supported housing clients and introducing an alternative funding system. This system is likely to be based on highly insecure discretionary funding from local authorities, putting the future viability of services at risk. To mitigate this risk, government must work with the sector to find a more suitable funding system which will:

- minimise the number of bed spaces funded in this way
- introduce statutory requirements for local authorities to assess local need for supported housing and produce clear plans on how they intend to meet this need
- provide adequate safeguards by ring-fencing local funding in a sustainable way.

[mungos.org/savehostels](https://mungos.org/savehostels)



To join our **Save Hostels Rebuild Lives** campaign, please visit [www.mungos.org/savehostels](http://www.mungos.org/savehostels)



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Lead author: Sara Turner, with Sylvia Tijmstra, Robyn Casey and Catherine Glew

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St Mungo's, Fifth Floor, 3 Thomas More Square, London E1W 1YW

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