



The effectiveness of government in tackling homelessness – A report by the National Audit Office

To: Contacts in England

For information: Contacts in Northern Ireland, Scotland and Wales

1 Context

On the 23 July 2024, National Audit Office published a range of reports one of which examines the effectiveness of government in tackling homelessness. This briefing provides an overview of the report, full details of the report can be accessed [here](#).

2 Background to the report

At the time, the National Audit Office (NAO) conducted the fieldwork for the report, the then Department for Levelling Up, Housing & Communities (DLUHC), which has since reverted to the name of Ministry of Housing, Communities and Local Government (MHCLG) had policy responsibility for tackling homelessness and led on implementing homelessness policies across government. This briefing refers to DLUHC throughout in line with the report.

Part 7 of the Housing Act 1996 defines someone as 'homeless' if there is no accommodation available for them to occupy, or if it is not reasonable for them to continue occupying the accommodation they have.

The department also distributes homelessness funding to local authorities, who have statutory duties to assist people who are homeless or threatened with homelessness. It is reported that

in 2022-23, local authorities spent £2.44 billion on delivering homelessness services.

Prior to 2018, their key duty was to provide temporary accommodation to homeless households considered to be in priority need and therefore entitled to it in law. However, the Homelessness Reduction Act 2017 (HRA 2017), which came into force in April 2018, extended local authorities' statutory duties, which now cover the following:

- Prevention duty: Taking reasonable steps to prevent homelessness
- Relief duty: Taking reasonable steps to relieve homelessness
- Main duty: Providing temporary accommodation, which can be shared or self-contained, and for many households entails living in a single room

The NAO comments that not having a secure home significantly affects individuals' quality of life and imposes strain on public services, both in the short and long term.

3 Scope of the report

The report follows on from the NAO last report on homelessness in 2017 – around six months before Homelessness Reduction Act (HRA) 2017 came into force and they advise that they are returning to this topic now that the HRA 2017 changes have had time to take effect.

There are three parts to the report: -

- Part One sets out the main trends and patterns in homelessness
- Part Two examines how well DLUHC is executing its policy responsibility for tackling homelessness and leading on implementing it across government
- Part Three assesses whether DLUHC is supporting local authorities to deliver their statutory duties efficiently and effectively

4 Main trends and patterns in homelessness

The Nao have identified the key trends and patterns in homelessness as the following: -

- There are many inter-related factors associated with homelessness in recent years which includes welfare reforms, housing supply and the ending of a private rented sector assured short hold tenancy
- A shortage of available housing, and the relatively high cost of the housing that is available, make it expensive for local authorities to house people in temporary accommodation, and harder for people to find a home.
- Homelessness has increased in recent years and is now at the highest level since comparable data collection began in the early 2000s.

- Local authority spending on homelessness services has more than doubled since 2010-11 and is putting a strain on some authorities' overall finances.

5 DLUHC's work to tackle homelessness

In the second part of the report, the NAO examines the work that the department has undertaken to address homelessness, and reports the following: -

- DLUHC has significantly improved its understanding of the nature and causes of homelessness, although some gaps remain that make it harder to direct resources effectively.
- DLUHC still does not have a strategy or published target for statutory homelessness, which makes it more difficult to coordinate the government's response.
- DLUHC has limited power to influence other government departments' decisions on cross-cutting matters that can affect homelessness services, particularly where departments have competing priorities.
- The availability of housing, and particularly affordable housing, is a key factor in homelessness, but the supply of housing is falling behind targets.

6 DLUHC's support for local authorities

The final part of the report focuses on how the department has been supporting local authorities to carry out their statutory duties and tackle homelessness. From the fieldwork undertaken the NAO concludes:-

- Central government funding arrangements for local authorities' homelessness services remain complex, fragmented and sometimes uncertain
- DLUHC is working with local authorities to address concerns about the quality and suitability of some temporary accommodation, but results so far have been limited
- DLUHC has enhanced its arrangements for providing advice and support, but local authorities have mixed views on it

7 Conclusion on value for money

As a result of the review into the effectiveness of government in tackling homelessness, the NAO have concluded that homelessness is a highly complex issue affected by a wide range of social and economic factors, and by government policy in areas such as housing, welfare and asylum.

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

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

8 Recommendations

The NAO recommend that DLUHC should lead on: -

- a) adopting a genuinely cross-departmental approach to tackling homelessness, which might involve establishing a dedicated joint unit to oversee the implementation of the approach;
- b) producing a long-term strategy, and associated public targets, with regard to statutory homelessness.

The NAO recommend that DLUHC should: -

- a) explore how it can provide local authorities with greater predictability of funding for homelessness, within a spending review period;
- b) consider how it can support local authorities to focus more on homelessness prevention;
- c) consider how the quality of B&B accommodation could be improved;
- d) establish a way for local authorities to more easily understand innovative practice and potential solutions in homelessness services from other authorities;
- e) consider how it might enhance its analysis function to improve its understanding of, and publish data on, repeat homelessness and out-of-area temporary accommodation

placements.

In addition, it is recommended that as part of the next spending review, and to support a cross-cutting approach to tackling homelessness, the HM Treasury should: -

- a) review and seek to simplify cross-departmental funding for homelessness;
- b) consider ways to incentivise government departments to support homelessness prevention, to deliver better outcomes and improved value for money.

APSE Comment

APSE welcomes the report of the National Audit Office as the findings are consistent with what member councils have been raising at APSE advisory groups and other events.

The reasons for people becoming homeless are complex and is in effect a barometer for the whole of the housing system. Therefore, with the significant increase in the number of people presenting as homeless, it is clear that the system is failing, and action needs to be taken to fix it.

The new government has made a commitment to building 1.5 million homes in this parliament, with social and affordable homes being part of the narrative which is welcomed and will be part of the solution for tackling homelessness. In the shorter term, the conclusions and recommendations in the National Audit Office report are a good starting point for identifying and taking first steps to solving the problems.

APSE will be holding an online seminar – [Tackling the homeless crisis](#) on **Wednesday 9 October 2024** that will be focusing on how local authorities across the UK are developing approaches to tackle the homelessness crisis. Click [here](#) for further information and to book your place.

Vickie Hacking
Principal Advisor for Education Catering
www.apse.org.uk

Sign up for APSE membership to enjoy a whole range of benefits.

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area, please email enquiries@apse.org.uk.

Our national advisory groups include:-

- Building cleaning
- Catering
- Cemeteries and crematoria
- Environmental Health
- Commercialisation network: Local authority trading, charging and income generation
- Housing, construction and building maintenance
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Sports and leisure management
- Vehicle maintenance and transport
- Waste management, refuse collection and street cleansing

Visit www.apse.org.uk for more detail

Association for Public Service Excellence
3rd floor,
Trafford House,
Chester Road, Manchester M32 0RS.
telephone: 0161 772 1810
fax: 0161 772 1811
web: www.apse.org.uk

INVESTORS IN PEOPLE™
We invest in people Gold



NEW MUNICIPALISM
Delivering for local people and local economies