

# HOMELESSNESS FUNDING

2022

→  
**WHAT  
NEXT?**



THE SALVATION ARMY  
UNITED KINGDOM  
AND IRELAND TERRITORY



# CONTENTS





## AUTHOR'S NOTE

Sometimes, the conversation around the solution to homelessness can be very simplistic: more homes = less homelessness. The truth is this issue is far more complex.

**Long before I joined The Salvation Army I sat down with a number of people using homeless shelters up and down the UK. As we talked about their experiences of homelessness it was clear that people who are homeless are not one simple demographic with the same issues in their lives.**

Many of the issues they faced in their lives were all interlinked, whether it was their addiction struggles or mental health challenges. These could be triggered by, as often as they were the cause of, homelessness.

What was clear was that, whatever led someone to addiction/mental health problems, these issues were preventing many people from successfully putting homelessness behind them. For some, their addictions were costing them so much money, they could not afford to maintain their tenancy.

For others, their mental health struggles meant they were reliant on the support and camaraderie gained through rough sleeping communities. In many of these cases these issues meant that before long, they were back sleeping on the streets. It is these kind of experiences that remind us that in any conversation around homelessness we need to be taking a holistic view of the solutions.

There is no doubt that the recent funding committed to homelessness in the 2021 CSR is cause for significant optimism. It is my hope that upon reading this report, key stakeholders in the homelessness sector are reminded of the importance of directing a significant part of this investment to supporting our homeless population with the many challenges in their lives.

**It is only with this vital support that the Government will be able to fulfill their manifesto commitment to end rough sleeping for good.**

**Jeremy Bushnell**

Policy Officer – Homelessness and Addictions  
Public Affairs Unit



## INTRODUCTION

In the 2021 Comprehensive Spending Review, the Government committed £640m per year to tackle rough sleeping and homelessness.

**This was an extremely welcome announcement that now offers us an opportunity to help many of society's most vulnerable people.**

However, now this money is available, it is equally important that it is spent in the right areas. Too often the view of homelessness can be very narrow and single minded with a belief that building more homes will mean less homelessness.

There is no doubt that homes are an important part of the issue, but an equally important part is tackling the issues that can lead to someone being homeless.

There are many different root causes of homelessness but the reality is that half of people who present themselves as homeless to their local authority use substances or have mental health challenges. It is often these issues that can lead to individuals returning to the streets, even when they have been provided with accommodation.

**These patterns highlight the importance of addiction and mental health services when it comes to long-term tackling of homelessness and it is these services that are the focus of the following report.**



### WHY FOCUS ON LOCAL AUTHORITY SPENDING?

**Although Clinical Commissioning Groups (CCGs) are primarily responsible for mental health funding, local authorities play a vital role in promoting good mental health. Given that the funding made available in the CSR will likely be focused on local authority spending, it is local authority funding and action we have concentrated on.**



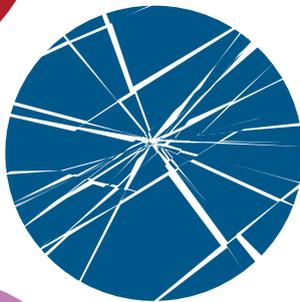


## WHY MENTAL HEALTH AND ADDICTIONS?

There are many different reasons why someone might become homeless. These can include:



**Unemployment**



**Domestic violence**



**Family/relationship breakdown**



**Physical health problems**

### NEW ANALYSIS

In its most extreme form, homelessness combined with addictions or mental health issues can lead to the ultimate loss. In fact, **every day, a homeless person dies from drug poisoning, alcohol specific issues or suicide.**<sup>1</sup>

These issues cross over a range of areas of public policy, but there are two key areas that we have seen in our own service provision that all too often seem to go hand in hand with homelessness. These are mental health problems and addictions.

### THE VIEW FROM OUR SERVICES

“The Salvation Army is one of the largest providers of homelessness support including specialist housing in more than 80 lifehouses plus night shelters, drop-ins and outreach street teams. As a major provider of both homelessness and addiction services, we know from experience that it takes more than a roof over their heads to help people break the cycle of homelessness.

“There are many complex reasons that can lead someone to losing their home and two of these that we see so often are addictions and mental health. These issues are often deep-seated and unless we support people with these wider issues, it can be very difficult to help them break the homelessness cycle.”

#### Malcolm Page

Assistant Director  
The Salvation Army  
Homelessness Services

1. Deaths of homeless people in England and Wales 2020 Registrations, 265 deaths by drug poisoning + 74 by suicide + 83 alcohol specific deaths - 422 deaths/365 = 1.2 per day.



## TACKLING THE CAUSES OF HOMELESSNESS - SUBSTANCE USE

One of the most prominent challenges that many homeless people can face is an addiction, although the way addictions can manifest in people's lives can vary.

**For some, addiction may be traced back to a traumatic event in their childhood, with homelessness following soon after. For others, it may follow homelessness as a way of mentally blocking the awful feelings being perpetuated by being homeless.**

In any case, an addiction and homelessness all too often go hand in hand. For too many people the result is even worse, whether it is a hospital admission or in some cases, death.

In the past few years there have been a number of concerning trends when it comes to drug use, with homeless people likely to make up significant proportions of these.<sup>2</sup>

The last few years have seen a sustained rise in the number of homeless people with drug/alcohol dependency needs.

It should also be noted that these figures only include those individuals presenting themselves to their local authority so in actual fact these figures are likely to be higher including those whose homelessness is hidden.

### ROUGH SLEEPING AND DRUG/ALCOHOL DEPENDENCY

Although detailed data is limited in regard to rough sleeping, the data that is available indicates that substance use is particularly prevalent in this most dangerous form of homelessness. The Combined Homelessness and Information Network (CHAIN) monitors rough sleeping in London and

is the most comprehensive rough sleeping data monitoring in the UK. Since 2014/15 the number of rough sleepers in London with a drug/alcohol support need has increased by 41%.

This is particularly important given the Government's commitment to eradicate rough sleeping by the end of this parliamentary term.



### STATUTORY HOMELESSNESS AND DRUG/ALCOHOL DEPENDENCY IN ENGLAND

YEAR	NUMBER OF HOMELESS PEOPLE WITH DRUG/ALCOHOL DEPENDENCY SUPPORT NEEDS	% INCREASE/DECREASE ON PREVIOUS YEAR
2020/2021	32,890	+12%
2019/2020	29,360	+16%
2018/2019	25,260	-

\* Statutory Homeless Statistics changed their methodology in 2018/2019 making previous years data incomparable.

\* Statutory Homelessness in England, Department for Levelling Up, Housing and Communities, 2018-2022.

2. Data is not always available at housing situation level.

Although the number of homeless people who have died from drug poisoning has decreased in the last few years, the current number still represents a 112% increase when compared to when these figures were first collated in 2013.

### NEW ANALYSIS

Despite these concerning trends, local authority spend on substance use has decreased by 12% since 2013/2014.

While the Government's 10 year drug strategy gives cause for optimism, the reality is that right now, support services are facing less local authority funding and this is making it harder to ensure all homelessness people with addictions are supported as they need. When taking local authority expenditure on substance use with the level of drug related homeless deaths there is a concerning trend. Since 2013, the lowest funding rates for local authorities have been by far the three financial years since 2018-2019. The same period has also seen the highest rate of homeless deaths attributed to drug related deaths.

### WHAT THIS MEANS FOR INDIVIDUALS

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In 2013/2014, local authorities spent **£13.09** per person.

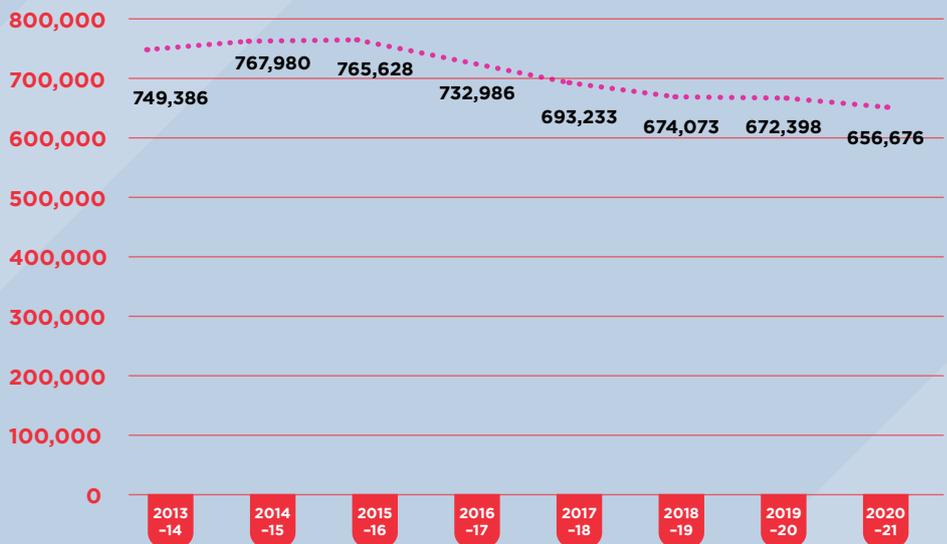
→  
In 2020/2021, local authorities spent **£10.80** per person.

## DRUG RELATED HOMELESS DEATHS IN ENGLAND AND WALES

YEAR	DRUG POISONING DEATHS (HOMELESS)	% INCREASE/DECREASE ON PREVIOUS YEAR
2020	265	-8.3%
2019	289	-1.7%
2018	294	+54.7%
2017	190	-3.1%
2016	196	+7.7%
2015	182	+27.3%
2014	143	+14.4%
2013	125	-

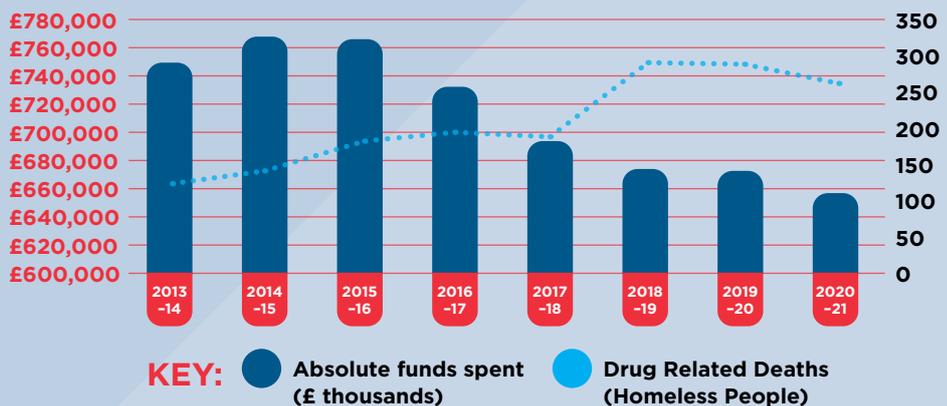
\* Deaths of homeless people in England and Wales, Office for National Statistics, 2018-2021.

## LOCAL AUTHORITY SUBSTANCE USE SUPPORT SPENDING ON ADULTS (£000) IN ENGLAND AND WALES



\* This data does not include the new funding outlined in the new 10 year drug strategy.  
\* Local authority revenue expenditure and financing, Department for Levelling Up, Housing and Communities, 2014-2022.

## LOCAL AUTHORITY SUBSTANCE USE SPEND V DRUG RELATED HOMELESS DEATHS



## → TACKLING THE CAUSES OF HOMELESSNESS - MENTAL HEALTH

For many years, the most prevalent support need homeless people have had, has been mental health problems.

**Due to data limitations we are unable to accurately track how the level of homeless people with mental health conditions has changed over the last decade.**

However, we do have more recent data which suggests rates have increased over the last few years.

In 2020/2021, the number of homeless people with a history of mental health problems equated to a quarter (25%) of households owed a homelessness duty<sup>3</sup>. As with drug/alcohol dependency, mental health problems are particularly prominent with those sleeping rough.

In London there has been a 53% rise in the number of rough sleepers with mental health problems since 2014/2015.<sup>4</sup>

However, while the mental health challenges that homelessness people face are extensive, the local authority funding for these services have reduced significantly in the last decade.

In 2020/2021, 29% of people owed a homelessness duty had a history of mental health problems.<sup>5</sup>

### NEW ANALYSIS

Local authority spend on mental health has decreased by more than a quarter (27%) since 2011/2012.



### STATUTORY HOMELESS AND MENTAL HEALTH IN ENGLAND

YEAR	NUMBER OF HOMELESS PEOPLE WITH HISTORY OF MENTAL HEALTH PROBLEMS	% CHANGE ON LAST YEAR
2020/2021	67,170	+2%
2019/2020	65,900	+16%
2018/2019	56,980	-

\* Statutory Homelessness in England, Department for Levelling Up, Housing and Communities, 2018-2022.

3. Statutory Homelessness in England, Department for Levelling Up, Housing and Communities, 2018-2022.

4. Combined Homelessness and Information Network (CHAIN), Greater London Authority, 2015-2022.

5. Statutory Homelessness in England, Department for Levelling Up, Housing and Communities, 2018-2022.

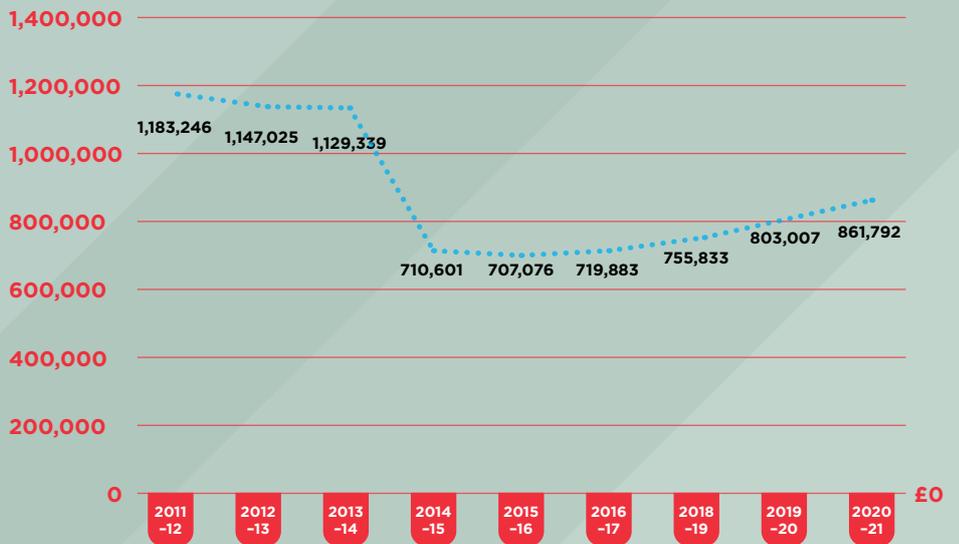


**WHAT THIS MEANS FOR INDIVIDUALS**

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**In 2011/2012, local authorities spent £20.98 per person.**

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**In 2020/2021, local authorities spent £14.42 per person.**

**LOCAL AUTHORITY MENTAL HEALTH SUPPORT SPENDING ON ADULTS AGED 18-64 (£000)**



\* This data does not include the new funding outlined in the new 10 year drug strategy.  
 \* Local authority revenue expenditure and financing, Department for Levelling Up, Housing and Communities, 2014-2022.



## SPOTLIGHT ON: WALES

Although considerable data on issues like addiction and mental health are representative of England and Wales as a whole, on closer inspection there are significant differences between these countries' approaches.

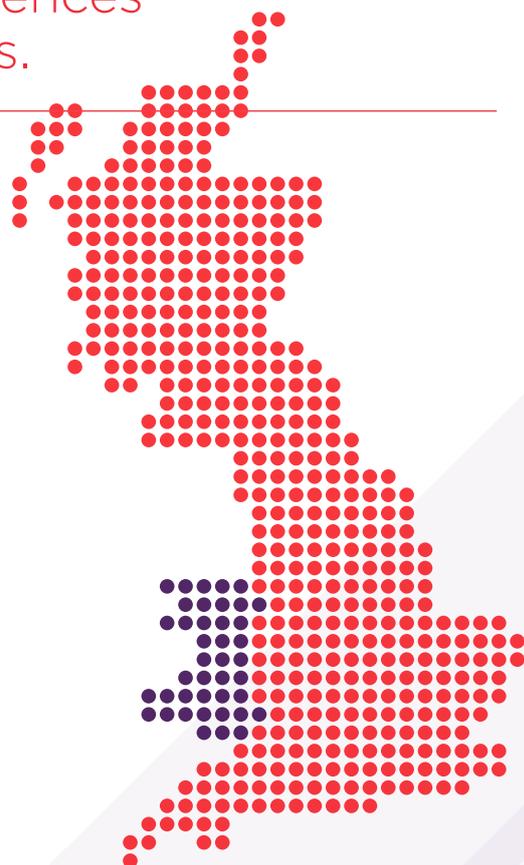
**When looking at individual local authorities in Wales, it is clear that areas have adopted very varied approaches in terms of substance use and mental health spend.**



However, it should be noted that only one local authority has overseen a reduction in both substance use and mental health spend.

In general, those who have reduced investment on one of these areas have also increased investment in the other.

However, with almost a third of local authorities in Wales increasing both their mental health spend and substance use spend it is clear that spending in these areas is being prioritised far more in Wales, compared to England.



### CHANGE IN LOCAL AUTHORITY SPEND BY REGION

REGION	% CHANGE IN MENTAL HEALTH SPEND SINCE 2011/2012	% CHANGE IN SUBSTANCE USE SPEND SINCE 2013/2014
North East	-30%	-22%
North West	-28%	-5%
Yorkshire and the Humber	-22%	-18%
West Midlands	-34%	-29%
East Midlands	-29%	-15%
East	-51%	-1%
London	-40%	-19%
South East	-32%	-10%
South West	-10%	-15%
Wales	+14%	+164%

As can be seen by the table above, Welsh local authorities have taken a substantially different route to their English counterparts by considerably increasing their spend in mental health and especially substance use.



## CHANGE IN LOCAL AUTHORITY SPEND IN WALES

LOCAL AUTHORITY	% CHANGE IN MENTAL HEALTH SPEND SINCE 2011/2012	% CHANGE IN SUBSTANCE USE SPEND SINCE 2013/2014
Blaenau Gwent	+2%	Data Not Available
Bridgend	+145%	+126%
Caerphilly	+69%	+61%
Cardiff	-8%	+506%
Carmarthenshire	+40%	Data Not Available
Ceredigion	+48%	-51%
Conwy	+43%	+95%
Denbighshire	-3%	+488%
Flintshire	+55%	+2109%
Gwynedd	+2%	-100%
Isle of Anglesey	+32%	-18%
Merthyr Tydfil	+6%	Zero investment in 2011/2012
Monmouthshire	-70%	+10399%
Neath Port Talbot	+14%	+4%
Newport	-38%	Zero investment in 2011/2012
Pembrokeshire	+103%	-58%
Powys	+92%	+6%
Rhondda Cynon Taf	+81%	6147%
Swansea	-30%	+194%
Torfaen	-46%	-173%
Vale of Glamorgan	+36%	-51%
Wrexham	-9%	+2078%



## CAN INVESTING IN THESE SERVICES SAVE MONEY?

While this report is about spending money, investing it in the right areas actually has the potential to deliver cost savings to the public purse later down the line.

**This is because helping people conquer the wider social issues in their lives can mean those same people utilize public services less going forward.**

New research by The Salvation Army has analysed the impact of our Housing First services, which support individuals with a history of repeat homelessness with issues like addictions and mental health.

The research has shown that individuals who engaged with these service have cost the public purse significantly less than if these individuals had remained on the street.

Our research was conducted with the 683 individuals (as of 26/8/21) who have utilised our Housing First services since 2018.

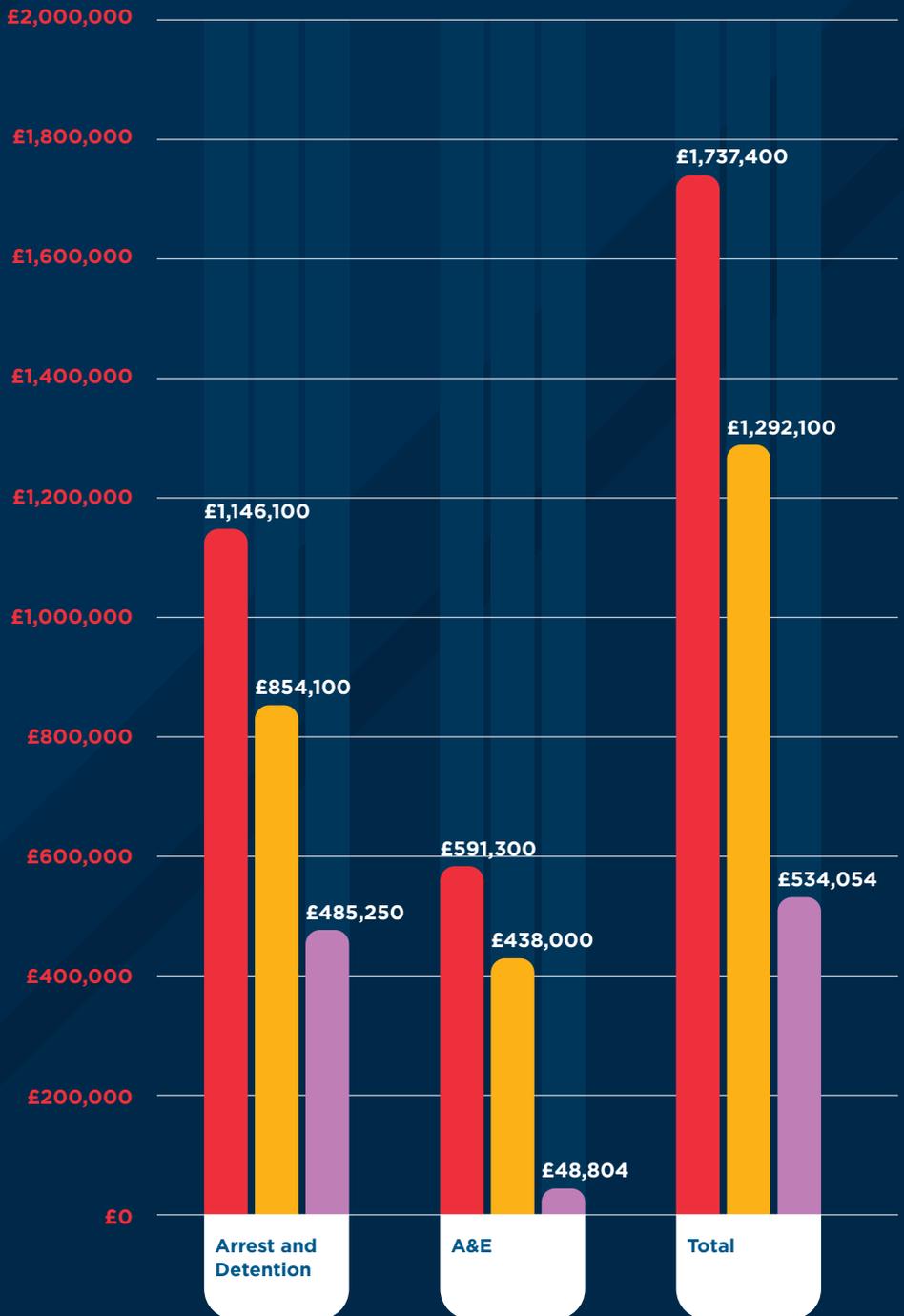
- Over the equivalent period of time, average rough sleeper figures indicate these individuals would likely cost **£854,100** in terms of arrest costs and **£438,000** in terms of A&E attendance.
- Our data indicate that in reality, these individuals cost **£485,250** in terms of arrest costs and **£48,804** in A&E costs.
- In total this represented an actual cost of **£534,054** against an expected average rough sleeper cost of **£1,292,100**.



## SERVICE UTILISATION COMPARISON

Data like this reinforces the idea that to truly eliminate rough sleeping – one of the key aims of the CSR funding – individuals need to be given the wrap around support to tackle these wider issues.

Once this is done the benefits it can have can go beyond the basic humanitarian help, and can extend to financial success in the future.



### KEY:

- Expected costs for rough sleeper with multiple complex needs
- Expected costs for average rough sleeper
- Actual costs for TSA Housing First Clients



## A CROSS-DEPARTMENTAL VIEW OF HOMELESSNESS

Although this research, alongside other work in the sector, demonstrates that a financial saving can be made from investing in addiction and mental health services, the savings that are generated do not directly benefit the spending authority.

**In this case, while the local authority spends the money, it is the NHS (Department of Health and Social Care) and Police (Home Office) that benefit financially from that investment.**

Issues like this provide a stark reminder of why the Government must take a holistic, cross departmental view of homelessness.

As this report demonstrates, people who are homeless have many complex issues in their lives and so it is inevitable that supporting them will require action from multiple areas of public policy.

It is also possible that while the direct savings outlined above are felt beyond the spending authority, the savings could come back via an indirect route.

For example, a local authority may choose to invest in programmes such as Housing First. These programmes work with individuals who have a history of repeat homelessness and who, will often require extensive medical support or police intervention.

As our research previously outlined in this report shows, by tailoring support to these individuals, their need for these services decreases.

This decrease in demand can therefore lead to a decrease in required local authority expenditure in these areas.

In any case, however, even if the savings are not felt by the spending authority this does make the investment redundant.

At The Salvation Army, all of the people we support live complex lives and do not always fit into neat 'boxes'. There are many reasons someone might become homeless. In addition to addictions and mental health, poverty, eviction and domestic violence have all shown to be triggers to people losing a home.

These issues fall under a range of different departmental remits, whether this is the Department for Work and Pensions, Department for Health and Social Care or Department for Levelling Up, Housing and Communities.

The very nature of these causes crossing over various government departments show why a cross-departmental view of homelessness is so necessary.







## CONCLUSIONS AND RECOMMENDATIONS

The Salvation Army is greatly encouraged by some of the developments in these important areas in recent years.

**The fact that the Government has committed to an annual £640 million investment into homelessness is cause for celebration.**

There is also encouragement to be taken by the Government's 10 year drug strategy published at the end of last year that outlined an investment of £780 million in the country's drug treatment system.

These funding commitments have provided an excellent opportunity to fully support our homeless population. Tackling the root causes of persistent homelessness is vital if the Government wishes to fulfill its promise to eliminate rough sleeping.

However, with the numbers of people dying from drug poisoning increasing, and the high proportions of people presenting as homeless with a mental health/addiction need, it is clear that more work is needed to achieve this.





## 1.

More than 50% of the annual £640 million funding for homelessness (announced in the 2021 Comprehensive Spending Review) must be ring-fenced for revenue funding. Addictions and mental health services must be prioritized within this spend.



## 2.

Local authorities should introduce mental health and addictions targets, as part of their refreshing of their homelessness strategies.



## 3.

### **Improve homelessness data collection.**

**a.** Introduce CHAIN type recording systems in city regions with high levels of homelessness outside of London. There is currently a gulf in the level of information provided nationally compared to a specific methodology used in London. London's CHAIN database records much more comprehensive information about the rough sleeping population than the national rough sleeping count of the Department for Levelling Up, Housing and Communities. Most importantly, the Chain database gives detailed information on how many individuals have support needs for drugs, alcohol and mental health.

**b.** Focus on improving statutory local authority data. The Government should take steps to improve the consistency of, and between, local authority revenue expenditure statistics to enable data to be broken down more consistently by activity and by how it is spent on different homeless groups.

**c.** NHS data collection should, where possible, include demographic data relating to homelessness. This is to further understand the prominence of homelessness in other areas of their service provision.



## HOMELESSNESS GLOSSARY

### **Homelessness Duty**

This is where local authorities are legally required to help someone who is homeless/is threatened with becoming homeless.

### **Statutory Homeless**

Individuals who have approached their local authority for support and been owed a homelessness duty.

### **CSR**

The Comprehensive Spending Review is an opportunity for the Government to set out a long-term plan for some of its expenditure.

### **Housing First**

Housing First is a specialised service for people where supported housing is not suitable, and who have experienced sustained or recurrent homelessness. It offers permanent, affordable housing as quickly as possible and then provides support to link people into the services they need to address any other issues.



## REFERENCES AND ACKNOWLEDGEMENTS

The data in this report is taken from publicly available datasets relating to local authority spend and activity.

### Datasets used include:

- Deaths of homeless people in England and Wales, Office for National Statistics, 2018-2021.
- Statutory Homelessness in England, Department for Levelling Up, Housing and Communities, 2018-2022.
- Combined Homelessness and Information Network (CHAIN), Greater London Authority, 2015-2022.
- Local authority revenue expenditure and financing, Department for Levelling Up, Housing and Communities, 2014-2022.

**The Salvation Army would like to thank Andrew Humphries from Action Planning who provided data support, without which this report would not have been possible.**





## ABOUT THE SALVATION ARMY

The Salvation Army is a Christian church and registered charity present in 700 communities in the UK. We have worked with people with experience of homelessness for over 130 years.

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### Today, our services include:

- The provision of over 2,200 units of supported housing in Lifehouses (residential homelessness services) across England, Wales, Scotland and Northern Ireland.
- Housing First services in Cardiff, Merthyr Tydfil, Glasgow, South Lanarkshire and Inverness offering intensive support to people with experience of sustained and recurrent periods of rough sleeping.
- Non-residential services offering outreach to people who are currently rough sleeping and floating support for people living independently in their own homes.
- Church and community-based programmes offering practical support, including meals, cold weather shelters, opportunities to share fellowship and ease possible isolation, and the provision of information on social security and immigration.
- Social enterprise opportunities, such as a bicycle repair shop and a sandwich-making and selling project in Booth House Lifehouse, Swindon.



**Love God**  
**Love Others**

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