

# UK: Homelessness to rise dramatically following funding cuts

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A survey by the charity Homeless Link has revealed a sharp increase in the number of people facing the prospect of life on the streets in the UK.

Hundreds of organisations and charities that provide facilities and support for homeless people are facing massive reductions in funding, or even the threat of disappearing altogether, as a result of draconian cuts to the Supporting People grant by central government and local councils.

According to Homeless Link, the proposed £1.6 billion cut could result in a quarter of the 44,000 hostel beds in England vanishing within months, which would lead to an explosion in visible homelessness. The charity warns that “unjustifiable” spending cuts could see progress in tackling homelessness undermined in 40 percent of local authorities.

A significant increase in rough sleeping, mental illness, anti-social behaviour and crime is predicted. This will place even greater costs on the already stretched National Health Service, addiction treatment services, child protection teams, and the criminal justice system.

The cuts come at a time when falling wages, layoffs, and attacks on welfare are throwing huge numbers over the brink into homelessness. Recent changes to the Local Housing Allowance include linking increases in the allowance to the Consumer Price Index (a lower measure of inflation) and cutting the allowance by 10 percent for those claiming Job Seekers’ Allowance for more than a year. This will threaten claimants, particularly those forced to rent in the Private Rented Sector, with eviction and homelessness.

Separate reports from the University of York and University of Cambridge both estimate around 134,000 households will face an annual cut of £475 as a result of these measures. The real figure is likely to be much

higher, as the government plans to force huge numbers of people who are unfit to work and currently receive Incapacity Benefit onto Job Seekers’ Allowance.

Campbell Robb, the chief executive of the housing and homelessness charity Shelter, said, “Even at current levels nearly half of local housing allowance claimants are already making up a shortfall of almost £100 a month to meet their rent”.

Official figures for homelessness released at the end of 2010, before the welfare cuts were imposed, revealed that 11,840 applications were accepted for homeless support between July and September 2010, a 14 percent increase on the same period in 2009. A rising trend was shown for the first time since 2003. The true scale of homelessness is far worse, as the official statistics exclude most single homeless people.

Homeless Link has described the situation facing housing charities as a “perfect storm”. Increasing homelessness will place greater demand on services already at full capacity and with long waiting lists. Cuts to Supporting People will destroy what capacity currently exists, leaving thousands to sleep on the streets.

The Supporting People programme was introduced in April 2003. Funds were delivered to local providers, typically made up of the voluntary sector and housing associations, as a decentralised initiative helping around one million people. As well as the homeless, Supporting People also provides funding for support for the elderly, people with mental health problems, women at risk of domestic violence, teenage parents and other vulnerable groups.

The total grant value of the programme has continued to fall since its introduction, and failed to match the rising costs for providers. The recent cut of £1.6 billion announced by the Conservative/Liberal-Democrat

government represents a 12 percent cut over a four year period. However, local councils responsible for distributing the funds have translated the cuts into figures as high as 65 percent in some areas where homelessness services are suffering the greatest cuts.

The Homeless Link survey covered 136 housing charities and organisations across the country. Of these, 73 percent reported their local authorities were planning cuts greater than 12 percent, 41 percent reported they were facing cuts over 20 percent, and 18 percent were facing cuts greater than 30 percent. More than half, 60 percent, indicated they would have to reduce the level of the service they provided. Many other providers reported that their local authorities had yet to announce the cuts they would be imposing.

Cornwall has announced cuts of 40 percent, Somerset 18 percent, and Broxtowe Borough Council 44 percent. Bournemouth has proposed cuts of 44 percent, although it claims to be revising this figure after using £3 million from its reserves. The Conservative-led Nottinghamshire County Council has announced cuts of 65 percent, some of the largest yet.

In Hull, 49 charities were forced to issue redundancy notices after the council declared it was unable to guarantee any Supporting People funding after March 31. Last year the funding stood at £11 million, but in theory the council could spend nothing this year. This scenario is repeated all over the country. The Labour-led Nottingham City Council has issued warnings of terminating contracts due to its cuts to Supporting People by £12.5 million—about 45 percent—in April this year. Framework, a Nottingham-based charity, has issued Section 188 “jobs at risk” notices to its 500 staff.

Local councils are able to make cuts to Supporting People because the previous Labour government removed the “ring-fencing” for the grant (provisions preventing the commingling of grant funds with other funds), allowing councils to divert the funds to other services.

Analysis by the magazine *Inside Housings* has found that Supporting People grants have been redistributed between local councils, from those responsible for poorer regions in the north to more affluent councils in the south for the financial year 2011 to 2012. Out of 150 English councils, 67 face reduced grants. Of these, 16 will face cuts greater than 30 percent. Camden

Council in North London is to face the greatest cut of 60 percent. At the same time 83 councils have received more than last year, with the largest increase, almost 50 percent, for Conservative-led Bexley council. This has been carried out by merging the Supporting People grant with the general grant money each council receives.

The chief executive of the National Housing Federation, David Orr, has warned that this cutting is “not about reducing services it is about getting rid of them”.

At the beginning of March it was revealed that the Department of Communities and Local Government was considering cuts to all social care duties of local authorities. The list of duties targeted includes the programs for the disabled, welfare services, and child protection programs. The organisation Shaping Our Lives declared that the contemplated cuts “could take us back to year zero” in terms of social care. The most powerful and richest city council, Westminster, is proposing a new by-law illegalising rough sleeping and banning Salvation Army soup kitchens in the Victoria area in London. The new law would make it an offence to “sleep or lie down”, to “deposit materials used as bedding”, or to “to give out, or permit another to give out, food for free”.



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