

Ending homelessness and delivering lasting change



NATIONAL
HOUSING
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Introduction

The decisions made by this government at the Spending Review will set the course for years to come on one of the biggest challenges our country faces – the housing and homelessness emergency which is impacting the lives of millions of people and costing billions.

There is a generational opportunity to deliver lasting change – but it will require bold action from everyone involved.

The government has signalled its ambitions on housing and getting back on track to ending homelessness – now it must commit to investment and action across the government to make those ambitions a reality.

Crisis, Shelter and the National Housing Federation have come together to call for this change. We met with over 30 different organisations from across housing, local government and homelessness sectors to develop our recommendations.

The most pressing issue we heard was the desperate need for more social rent homes to end homelessness – social rent homes are the most affordable tenure for those experiencing homelessness. Our research shows we need to deliver 90,000 social rent homes a year for a decade to meet demand.

We also heard how the welfare system is exacerbating the housing crisis, pushing more people into homelessness, and making even social rent homes unaffordable for some.

The scale of the challenge is enormous. It will require everyone involved to be ambitious and brave.

This will require determined and co-ordinated action from across government. The housing emergency creates pressures and costs across central and local government departments. They all need to work together better if we are to get back on track to ending homelessness.

Our most urgent recommendations to the government are:

At the Spending Review the government must commit to significant investment in new social housing through a new long-term and ambitious successor to the Affordable Homes Programme which prioritises social rent.

The welfare system must play its part in preventing and ending homelessness, such as by covering the cost of private rent for people who need that support.

The homelessness strategy must be aligned with the new long-term housing strategy, with a shared outcome of ending homelessness. It must also be aligned with the government's agendas on child poverty, welfare, social care, NHS reform, asylum support and prisons. All departments must make clear how they are contributing to ending homelessness.

England is facing a housing and homelessness emergency

8.5 million people in England can't access the housing they need – this crisis is having a devastating impact on people and communities. It's holding back our economy, costing billions, and pushing councils to the brink of bankruptcy.

Homelessness has continued to rise – breaking new records for the number of people experiencing homelessness each year.

- There has been a 91% increase in rough sleeping since 2021 – rising 20% since last year.
- 126,040 households are now stuck living in damaging temporary accommodation, including 164,040 children.
- In 2022-23, there were 119,300 young people aged 16-24 who approached their council for help with homelessness.

1.3 million households are now on council housing waiting lists. New NHF analysis shows that waiting lists for family-sized homes (3+ bedrooms) have increased steadily over the last decade, growing at six times the rate of the waiting list overall since 2014/15. At current letting rates, there are three local authority areas which would take over 100 years to clear their waiting list for these homes.

Social rent housing is the most affordable and secure housing option for people who are homeless. But we are currently delivering a fraction of the 90,000 a year needed – just under 20,000 were delivered in 23/24, of which less than half came from new build activity. Meanwhile a total of 20,560 were lost through Right to Buy sales, demolitions and other routes.

Ending homelessness by delivering the biggest boost to social housing in a generation

The government has set out its mission to drive growth by building 1.5 million homes by the end of this Parliament. We hugely welcome that ambition. But to both achieve that goal and end homelessness, a significant proportion of those must be social rent homes.

Analysis undertaken for the NHF shows that demand for market homes alone will not deliver the required 300,000 a year, even with planning policy reform. The contribution of social landlords is and will be essential. History shows us that we have only built more than 300,000 homes per year when social housebuilding has contributed a third or more of the total.

But the social housing sector is under severe financial pressure. Grant funding for social homes was cut by 63% in 2010. Since 2015, rental income has fallen in real terms by 15%. The building safety crisis and changing regulations mean social landlords are spending record amounts on their existing homes.

Combined with wider economic pressures and uncertainty, this has all eroded housing associations' capacity and confidence to borrow and build, and left many councils' housing budgets at breaking point.

As the Labour manifesto recognised, to turn this around the social housing sector needs an urgent package of interventions to rebuild the financial capacity, and unlock housing associations and councils capacity to build.

This must sit alongside a new long-term and ambitious successor to the Affordable Homes Programme that prioritises social rent. Our modelling shows that funding between £6bn and £7.8bn a year, alongside increased delivery from s106, would enable delivery of 90,000 social rent homes by year 5. The higher amount could deliver a total of 500,000 homes over 5 years, a third of the 1.5 million homes target.

Through local needs assessment and a well-resourced planning system, we must also make sure we build the size and types of homes needed in different parts of the country to end homelessness:

- Family sized housing.
- 1 bed homes for single homeless people.
- Supported housing – combined with funding for housing-related support and Housing First.
- Homes for older people, accessible homes, homes in rural areas.

Ensuring our welfare system supports prevention of homelessness

It will take time to build the social homes we need. So we also need a welfare system that ensures all homes are affordable and does not drive up homelessness further.

Too many people on low incomes are struggling to afford private rent homes as Local Housing Allowance rates have been frozen once again, limiting the level of support people receive to cover the cost of their private rent. This is particularly stark for people aged 35 and under who can only receive support to rent a room (in a shared house or flat), meaning very few properties are affordable. The household benefit cap and Spare Room Subsidy also impact on the affordability of private and social rent, making even social rent unaffordable for some and further pushing people on low incomes to the brink of homelessness.

Having a welfare system that plays its part in preventing and ending homeless would mean:

- Investment in Local Housing Allowance so it covers at least the 30th percentile rent.
- Exploring the abolition of the Shared Accommodation Rate, which is a significant barrier for young people to rent.
- Exploring abolition of the household benefit cap and Spare Room Subsidy.

As a principle, the government should commit to ensuring welfare levels are connected to the real cost of essentials.

Aligning the long-term housing strategy and homelessness strategy to deliver whole system change

Our housing emergency did not happen overnight. It took decades to reach crisis point and will take time and change across the whole housing system to address. But we must begin to make that change urgently. We have therefore welcomed the government's commitment to developing a long-term housing strategy and a cross-government homelessness strategy.

These must be joined up. And they have to secure alignment across a number of other government agendas – health and social care, child poverty and welfare policy, prisons and the asylum system. Strategies across each of these areas should have outcomes of ending homelessness and ensuring more people are given the security of a social home.

Building social homes will also kickstart growth and contribute to other goals set out in the Plan for Change. [Research for Shelter and the NHF](#), carried out by CEBR, shows that building 90,000 social rented homes would result in economic net benefits worth £51.2bn over 30 years, including wider indirect benefits to society of £31.4bn. These wider benefits include reducing the cost of homelessness to local authorities by £4.5bn, and £5.2bn of savings to the NHS.

The upcoming Spending Review provides a critical opportunity to deliver the investment needed to make delivering 90,000 social rent homes a year a reality, drive economic growth and put the country back on track to ending homelessness.



Crisis is the national charity for people facing homelessness. We know that homelessness is not inevitable and that together we can end it. Crisis is dedicated to ending homelessness and every year we work side by side with thousands of people experiencing homelessness across England, Scotland and Wales. We provide vital help so people can rebuild their lives, and we use research to find out how best to improve our services and to campaign for the policy changes to end homelessness for good.



The National Housing Federation is the voice of England's housing associations. Its housing association members provide homes for around six million people, and are driven by a social purpose: providing good quality housing that people can afford. The National Housing Federation supports its members to deliver that social purpose, with ambitious work that leads to positive change.



Shelter exists to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society. We work in communities to understand the problem and change the system. We run national campaigns to fight for change at the top and we offer a diverse range of support services on the ground.