



BRIEFING | MAY 2025

A smarter approach to homelessness

Lead author

Nick Davies, Programme Director

nick.davies@instituteforgovernment.org.uk



£30,000 a year

- **The cost of providing temporary accommodation for a family at risk of homelessness**

Many of the current models of homelessness spending are reactive, and incur high and recurring costs while delivering poor value for money and very poor outcomes for individuals.

2.5 - 14 times higher

- **Cost of providing acute homelessness services, against the cost of preventative measures (Crisis UK)**

The government has a vital opportunity to shift away from reactive measures towards a more proactive and preventative model.

40% reduction

- **In the number of adolescents seeking homelessness assistance from local services in Victoria, Australia.**

The reduction followed the introduction of school-based screening to identify at-risk children.

Recommendations for a smarter approach to homelessness

Key recommendations

1. **Refocus the homelessness system from acute responses to upstream prevention** and embed this across all mainstream public services.
2. **Trial a new version of the Total Place model of combined funding pots in a small number areas as part of the Test, Learn and Grow programme.**
3. **Consider a £100m strategic investment fund – the Preventing Homelessness Endowment** – to drive innovation, scale prevention, build capacity and ensure effective performance management.
4. **The government should develop a unified vision for prevention, with success measures.** The forthcoming cross-government homelessness strategy should clearly articulate the goal of ending homelessness in all its forms. This will require a definition of what it would mean to end homelessness, which should put prevention front and foremost.
5. **The government should protect the UK’s social safety net as a primary instrument of prevention.** Consideration should be given to increasing the availability and flexibility of short-term emergency financial assistance to help individuals and families to avert crises such as eviction or having their gas or electricity cut off.
6. **The government should strengthen legal support for tenants and incentives for landlords.** Unless and until there is a very substantial expansion in the stock of social housing in places where demand is highest, the private rented sector will continue to play an important and necessary role in housing people on lower incomes as well as in providing temporary accommodation to local authorities.
7. **The 1.5 million new homes target must include much more social and affordable housing.** A significant increase in the supply of subsidised social housing is needed to reduce reliance on the private rented sector and temporary accommodation.
8. **MHCLG should explore a new tenure model for families needing lengthy homelessness assistance.** This should be of a good standard and conform to funding rules but offer greater stability to residents, especially families with children.
9. **The government should invest in improved data sharing and architecture.** The government must support local areas to effectively collect, report, and act on data, offering specialist analytical advice and guidance, and implement robust quality assurance measures to ensure data accuracy.



The full report can be read and downloaded at:
www.instituteforgovernment.org.uk/publication/smarter-approach-homelessness
or by scanning the QR code.

