



Department for Levelling Up,
Housing & Communities

**Department for Levelling Up, Housing &
Communities**
Fry Building
2 Marsham Street
London
SW1P 4DF

To Local Authority Chief Executives,

21 December 2021

Allocations of Homelessness Prevention Grant for 2022/23

Thank you for your continuing work to support homeless households throughout the pandemic. I know that these continue to be challenging times, and that you and your staff are going above and beyond to help vulnerable people. I am writing today to inform you of allocations for the £315.8 million Homelessness Prevention Grant next year, as I know you need certainty to plan services and support your staff and service users.

The Government is committed to ending rough sleeping in this parliament and to fully enforcing the Homelessness Reduction Act. We are making excellent progress to date, with rough sleeping levels falling 37% between 2019 and 2020, and I am grateful for your efforts in helping to deliver that. To build on this progress we will be spending more than £2 billion over the next three years to tackle homelessness and rough sleeping. Today we have announced the allocation of a critical element of this overall investment: £315.8 million in funding through the Homelessness Prevention Grant that will be made available to local authorities in 2022/23 to support you to deliver services to prevent and tackle homelessness.

Homelessness Prevention Grant 2022/23 allocations

The details of allocations to local authorities are attached at Annex A. This grant maintains the significant investment of £310m that was provided in 2021/22. We have provided an additional £5.8m of funding for next year to meet the new burdens following the expansion of priority need to those who are homeless as a result of domestic abuse, which came into force in July 2021 following the landmark Domestic Abuse Act 2021. We have assessed £5.8m as the total cost of meeting the new burdens associated with this change in 2022/23.

This grant will be ringfenced to ensure local authorities are fully resourced to take action to prevent homelessness and to continue to embed the changes required through implementation of the Homelessness Reduction Act.

The purpose of the Homelessness Prevention Grant is to give local authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness. We expect local authorities to use it to deliver the following priorities:

- To fully embed the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness.
- Reduce the number of families in temporary accommodation by maximising family homelessness prevention.
- To reduce the use of bed and breakfast accommodation for families and eliminate family B&B placements beyond the statutory six-week limit.

Future plans

We are keen to maximise the benefits a multi-year spending review period brings. We have announced the 2022/23 grant allocations now, in order to provide certainty of funding to local authorities and avoid disruption to services. In 2022, we plan to review the Homelessness Prevention Grant allocation methodology, with the aim to better align grant determinations to performance and delivery outcomes. We will consult on any proposals and work with you on any reforms in the new year.

Funding for 2022/23 will be provided upfront in April and can be used flexibly as part of councils' resourcing to contribute to the costs of statutory duties, including implementing the Homelessness Reduction Act and supporting with the costs of temporary accommodation.

DLUHC will continue to provide support to local authorities through our Homelessness Advice and Support Team. Advisers will be in contact with local authorities to discuss how you plan to use this funding, including how you plan to use it to support homelessness prevention and align with your ending rough sleeping plans.

The funding has been allocated on the same basis as funding allocated in 2021/22 using a formula which focuses on local homelessness pressures, the methodology for which can be found on the gov.uk announcement page: <https://www.gov.uk/government/publications/homelessness-prevention-grant-2022-to-2023>

The Homelessness Prevention Grant announced today is additional to the funding local authorities draw from the Settlement to deliver their homelessness and rough sleeping services.

This investment builds on the Government's £800 million spending on rough sleeping and homelessness in 2021/22. It follows the Government's one-off £65 million top-up to the Homelessness Prevention Grant for 2021/22 as announced in October 2021, which will enable local authorities to help vulnerable households with rent arrears and reduce the risk of them being evicted and becoming homeless. I wrote to you yesterday about the additional £28 million we are providing to protect and vaccinate rough sleepers in light of the new Omicron variant.

This announcement underlines the Government's commitment to tackling homelessness and rough sleeping and helps to make sure you are given the resources you need to make this a reality in your local area.



Penny Hobman
Director of Homelessness and Rough Sleeping
Department for Levelling Up, Housing & Communities