



Department for Levelling Up,
Housing & Communities

Penny Hobman

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Dear Chief Executive,

Homelessness Prevention Grant 2023/24 and 2024/25 allocations

Thank you for your continuing work to support homeless households through these challenging times. I know that you and your staff are working tirelessly to help vulnerable people. I am writing today to inform you of allocations for the Homelessness Prevention Grant for 2023/24 and 2024/25. We are confirming funding for the two years now to give you certainty to help plan services and support your staff and service users.

Today we have announced the allocation of £654 million in funding through the Homelessness Prevention Grant that will be made available to local authorities in 2023/24 and 2024/25 to support you to deliver services to prevent and tackle homelessness. This is in addition to the £50m top-up to the Homelessness Prevention Grant for 2022/23.

Alongside these allocations we are publishing our response to the consultation that we ran earlier this year to seek views on our approach to the funding arrangements for the Homelessness Prevention Grant for 2023/24 onwards. This details the findings of the consultation and our conclusions. For 2023/24 and 2024/25 we will be using a new formula to allocate the funding. However, we understand the importance of providing stability to local services given current economic challenges and received strong feedback on this through the consultation. We have therefore enhanced the transitional arrangements to limit large changes in funding. Increases in funding will be limited to 2% in 2023/24 and 5% in 2024/25, and we have increased the amount of funding available so no authority will see a cash loss in their allocation when compared to their core allocation for 2022/23 (excluding the £50m in-year top up).

[Homelessness Prevention Grant 2023/24 and 2024/25 allocations](#)

The details of allocations to local authorities are attached at annex A.

This includes £24m over the next two years (£9.8m in 2023/24 and £14.2m in 2024/25) to support 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.

The Homelessness Prevention Grant will be ringfenced to ensure local authorities can focus on preventing homelessness as well as funding the provision of temporary accommodation, 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:

- 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.
- Reduce the use of bed and breakfast accommodation for families and eliminate family B&B placements beyond the statutory six-week limit.

In order to enhance overall understanding of how the grant is used, and to drive performance on prevention we will be introducing two new grant conditions:

- A requirement to provide a spend declaration stating how much Homelessness Prevention Grant funding was spent across specific interventions. We have amended the categories to make this easier to complete following feedback from the consultation. Full details are in the consultation response.
- The requirement for LAs to submit accurate Homelessness Case Level Information Collection (H-CLIC) data, including full data on temporary accommodation numbers, will become a condition of funding, which the department retaining the right to claw back up to 10% of funding where this condition has not been met without good cause.

Funding for 2023/24 will be provided in April 2023 (and for 2024/25 in April 2024).

Future plans

While the new formula better reflects the current distribution of homelessness pressures, we recognise that there are further elements that can be tested, and we have listened carefully to feedback from the consultation. We will therefore continue to review the formula, including considering whether there are additional datasets and metrics that could be incorporated into the formula to reflect further relative pressures and affordability. We will also use the information gathered through the new grant conditions to provide a spend declaration to inform future plans. We will update the formula before we set allocations for 2025/26 so pre-dampened allocations have been provided for illustrative purposes only.

DLUHC will continue to provide support to local authorities through our Homelessness Advice and Support Team.

The Homelessness Prevention Grant announced today is additional to the funding local authorities draw from the Local Government Finance Settlement to deliver their homelessness and rough sleeping services. Our proposed Local Government Finance Settlement for 2023/24 makes available an additional £5 billion to councils, an increase of 9% in cash terms, demonstrating how Government stands behind councils up and down the country.

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

If you have any questions, please don't hesitate to contact HomelessnessPolicy@levellingup.gov.uk.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Penny Hobman'.

Penny Hobman
Director – Homelessness & Rough Sleeping