

Press release: New grant for council homelessness services

The government is transforming the way councils fund homelessness services, giving them greater flexibility to prioritise homelessness prevention, Communities Minister Marcus Jones has confirmed.

The new 'flexible homelessness support grant' is a radical replacement of the tightly controlled funding currently given to source and manage temporary accommodation for homeless individuals and their families.

Under the existing 'temporary accommodation management fee', funding can only be used for expensive intervention when a household is already homeless, rather than on preventing this happening in the first place.

The new grant will empower councils with the freedom to support the full range of homelessness services. This could include employing a homelessness prevention or tenancy support officer to work closely with people who are at risk of losing their homes.

Communities Minister Marcus Jones said:

This government is determined to help the most vulnerable in society, which is why we're investing £550 million to 2020 to tackle homelessness and rough sleeping.

We've brought in a raft of measures over the last few months, from funding homelessness projects in 225 local authorities to changing the law by backing Bob Blackman's Homelessness Reduction Bill to support for more people at risk of losing their homes.

We're now going further and giving councils greater flexibility, so they can move away from costly intervention when a household is already homeless, to preventing this happening in the first place.

Councils across England will receive £402 million over the next 2 years. No local authority will receive less annual funding under the grant than we estimate they would have received under the Department for Work and Pensions fee. First year allocations will also include an additional amount to authorities with high temporary accommodation commitments.

Compared to the old system, we estimate that London councils will receive around £20 million more next year and that other high pressure areas, including Leeds, Birmingham, Reading, Peterborough and Portsmouth, will also gain significant additional funding.

In recognition of the particular pressures which London councils face, we are also setting aside £25 million of the funding across the 2 years while we

work with the Greater London Authority and London boroughs to look at how we might help councils collaborate in the procurement of accommodation for homeless families in London.

The new grant forms part of the wide range of measures the government is taking to prevent people from becoming homeless.

This includes:

- protecting and maintaining the funding for councils to provide homelessness prevention services at £315 million over the 4 years to 2019-20; £20 million to support innovative approaches in local areas to tackle and prevent homelessness
- a £20 million rough sleeping prevention fund to help individuals at risk or new to the streets get back on their feet
- a £10 million Social Impact Bond programme to help long-term rough sleepers
- £61 million for councils to implement the measures in the Homelessness Reduction Bill, which will change the law to provide vital support for more people at risk of losing their homes

The former Chancellor announced at Autumn Statement 2015 that the Department for Work and Pensions' temporary accommodation management fee would be replaced by a Department for Communities and Local Government grant from April 2017.

The new flexible homelessness support grant will come in from 1 April 2017. It is based on a completely new funding model so resources are directed to the areas with the greatest need and which allows councils to plan their homelessness services with certainty.

The funding allocated for the 2 years from 2017 to 2018 is £186 million and £191 million. A further £25 million has been set aside for London boroughs to work together to provide accommodation for homeless families in the capital.

See the [allocations for the new grant](#).