



Ministry of Housing,
Communities &
Local Government

Sarah Healey CB CVO

Permanent Secretary

**Ministry of Housing, Communities and
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Sir Geoffrey Clifton-Brown MP

Chair, Public Accounts Committee

PSPerm.Sec@communities.gov.uk

04/25

By email

Dear Sir Geoffrey,

**MHCLG follow up to the Public Accounts Committee Hearing on Tackling
Homelessness on 2 December 2024**

I'm writing to you in response to the first recommendation made in the tackling homelessness report published on 24 January 2025, to give **a detailed explanation of how MHCLG plans to incentivise and work with local authorities to improve their homelessness prevention activities:**

We are facing a significant challenge, with unprecedented levels of homelessness. We recognise that recently many local authorities have been unable to invest in preventative interventions. This has resulted in more households entering temporary accommodation, which can have a devastating impact on those affected and comes at great cost to local authorities.

In Autumn Budget 2024, this government announced that grant funding for homelessness services in 2025/26 is increasing by £233 million compared to 2024/25. This includes a £192.9 million uplift to the Homelessness Prevention Grant (HPG), bringing total funding for 2025/26 to £633.2 million, the largest investment in this grant since it began.

The Homelessness Prevention Grant is allocated to councils across England based on local homelessness pressures and can be used flexibly to meet local needs. For example, funding can be used to provide mediation services with landlords or family, or tenancy training - all of which can help prevent a person or family from becoming homeless. Funding can also be used for temporary accommodation and staffing costs for delivering frontline services.

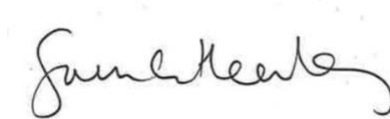
For 2025/26 a new ringfence has been introduced within the Homelessness Prevention Grant, to maintain prevention activities during this period. This will mean that local authorities will have to spend 49% of this grant on prevention, relief and staffing activity. This funding

will mean councils can prevent homelessness before it happens and reduce reliance on expensive temporary accommodation.

Our Homelessness Advice and Support Team (HAST) continues to work with all local authorities, particularly focussing on local authorities that have high homelessness demand and high rates of temporary accommodation. To support local authorities with planning for 2025/26 and how they could make best use of this ringfenced funding, in January 2025 HAST advisors hosted a series of webinars for local authorities. These webinars focused on prevention activities and were an opportunity to share learning and good practice from successful schemes across the country.

MHCLG continues to lead on cross-government work to deliver the long-term solutions we need to get us back on track to ending all forms of homelessness. We intend to publish our homelessness strategy following the conclusion of the Spending Review.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Healey', with a stylized, flowing script.

SARAH HEALEY