



Ministry of Housing, Communities & Local Government

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Dear Florence,

Government Response to Rough Sleeping Inquiry: Findings and Recommendations

On behalf of the Government, I would like to thank you and the Housing, Communities and Local Government Committee for your inquiry into Rough Sleeping in England, and your letter of 11 February which enclosed the Committee's conclusions and recommendations.

I am grateful for the Committee's work on this inquiry, which comes at a pivotal moment as we develop our strategy to tackle homelessness and rough sleeping. This Government is clear that both homelessness and rough sleeping levels are far too high and that this can have a devastating impact on those affected.

As set out in your letter, the Deputy Prime Minister is leading on cross-governmental work to develop a long-term strategy to get us back on track to ending homelessness and rough sleeping, which will be published after the spending review.

I enclose (as Annex A) the Government's response to the Committee's conclusions and questions. Thank you once again for your and the Committee's efforts in putting together this important inquiry.

Yours sincerely,

RUSHANARA ALI MP
Parliamentary Under-Secretary of State for Homelessness and Democracy

Annex A: His Majesty's Government's response to the House of Commons Housing, Communities and Local Government Committee's inquiry into Rough Sleeping: Findings and Recommendations

Introduction

The Government welcomes the findings and recommendations that have come out of the House of Commons Housing, Communities and Local Government Committee's inquiry into Rough Sleeping. We would like to thank the committee for undertaking this inquiry and all those who provided evidence.

As set out when I attended your committee hearing, this Government is clear that levels of homelessness are far too high. As you know, the Deputy Prime Minister is leading cross-government work to deliver the long-term solutions we need to get us back on track to ending homelessness.

The Government's response to the recommendations in the committee's letter to MHCLG is set out in this report.

1. The rough sleeping emergency

We are in a rough sleeping emergency right now, with people who previously weren't at risk of sleeping rough becoming vulnerable. It is a source of national shame that the number of people sleeping rough is not only high, but has increased in recent years. There are concrete steps that the Government could and should take which would help turn the tide on rough sleeping. These include:

- *Taking measures to help people sustain tenancies in the face of rising rents and the broader cost of living crisis, including ending Section 21 evictions through the passage of the Renters' Rights Bill as soon as possible, and reviewing the Right to Rent policy in the private rented sector; and*
- *Reviewing the welfare assistance that those on low incomes are able to receive, including ensuring that Universal Credit (UC) payments actually meet the costs of essentials, and looking to end the 5-week waiting period for those in receipt of UC*

Government Response:

Homelessness and rough sleeping levels are far too high. This can have a devastating impact on those affected. We must address this and deliver long term solutions. The Government will deliver a strategy to get us back on track to ending homelessness and we are already taking the first steps towards this goal. The Rough Sleeping Winter Pressures 2024-25 programme is providing £60 million in funding to 295 local authorities across England in the winter of 2024-25, including an additional allocation of £30 million announced on 25 February 2025. This new investment will enable local authorities to prevent homelessness and rough sleeping by helping people to sustain their accommodation.

The Government recognises that evictions following the end of an Assured Shorthold Tenancy are a significant trigger of homelessness in the UK. The Renters' Rights Bill, which has completed its passage through the Commons and is now progressing through the Lords, will ban Section 21 'no-fault' evictions for both new and existing tenancies. This will reassure tenants they can challenge bad practice without the fear of retaliatory eviction, as landlords will need to provide a valid reason to end a tenancy.

The Renters' Rights Bill will improve access to the sector and security of tenure by taking direct action to stop discriminatory practices against households with children or receiving benefits, ending the practice of rental bidding, and prohibiting landlords from demanding large amounts of rent in advance. The Bill will also empower tenants to challenge unreasonable rent increases, helping renters to sustain tenancies by preventing landlords from using rent increases as a backdoor means of eviction.

The Right to Rent Scheme was introduced to ensure only those lawfully in the United Kingdom can access the private rented sector, and to tackle unscrupulous landlords who seek to exploit vulnerable migrants, sometimes in very poor living conditions. The Scheme applies equally to everyone, including British and Irish citizens seeking accommodation in the private rented sector in England. An extensive list of documents has been incorporated to ensure that tenants are supported in proving their right to rent.

The Home Office continues to improve the Right to Rent scheme, with the roll out of eVisas and the Home Office Online Service to prove an individual's right to rent. This simplifies the requirement for landlords or letting agents to understand the types of documents renters may have. It is sometimes easier and quicker to onboard a migrant into a residential tenancy agreement through the digital

systems available. We continue to work closely with the rental sector through landlord representative groups to modernise and improve the scheme.

While the Government recognises the affordability pressures faced by those living in the private rented sector, difficult decisions have had to be taken to address the challenging fiscal context. The Government currently spends around £33 billion annually on housing support. This includes a one-year Local Housing Allowance increase worth an additional £1.2 billion in 2024-25, and approximately £7 billion over 5 years. In addition, funding of £742 million will be provided to enable the Household Support Fund extension in England, and to maintain Discretionary Housing Payments in England and Wales, until 31 March 2026. This action will help struggling households facing the greatest financial hardship.

The 2021-26 Affordable Homes Programme had a budget of £11.5 billion, which was already fully committed outside London. We have since injected an extra £800 million into the programme to deliver up to 7,800 more homes. In March this year we also announced a further £2 billion investment to deliver up to 18,000 homes.

The Government also recognises the critical role Universal Credit has to play in tackling poverty and making work pay and has already taken steps to help those in need. The Fair Repayment Rate, to be introduced from April, will reduce the Universal Credit overall cap on deductions from 25% to 15%. This measure will help approximately 1.2 million of the poorest households benefit by an average of £420 a year. Benefit rates are reviewed each year, increasing by 6.7% in April 2024 and by a further 1.7% from April 2025, in line with inflation. Around 5.7 million Universal Credit families are forecast to benefit from uprating in financial year 2025 to 2026, with an average annual gain for a family estimated to be £150.

The Universal Credit assessment period and payment structure are fundamental parts of its design. The first payment is usually made around five weeks after the claim is made. Payments thereafter are made monthly in arrears. The assessment period must run its course before the award of Universal Credit can be calculated. This process ensures claimants are paid their correct entitlement, based on verified information and actual earnings, and prevents significant overpayments from occurring.

Claimants who need financial support can request an advance of their entitlement to support them during their first assessment period. As part of the Universal Credit review, we are considering how we can further support them before their first Universal Credit award.

2. Funding for prevention

Prevention must be prioritised when it comes to tackling rough sleeping, with stretched public services currently creating issues upstream. We agree with Lord Bird's assertion that rough sleeping will continue to occur so long as its preconditions are not addressed and we remain stuck in a cycle of emergency and response.

To address this, the Government must review the way it funds support to councils for tackling rough sleeping to ensure they have a funding stream which is sufficient and allows them to plan ahead. We believe it would be more cost-effective to have a smaller number of longer-term funding streams than continuing with the current situation of short-term top-ups during times of the most acute pressure, as with the Rough Sleeping Winter Pressures funding. As part of this the Government should:

- *Review current funding streams for tackling rough sleeping and reform these to ensure that they are long-term and streamlined rather than having multiple, short-term pots; and*
- *Review the impact of the provisions of the Autumn budget more generally on the ability of councils and charities to effectively tackle rough sleeping, for instance any additional burdens faced by the increases in National Insurance Contributions.*

Government Response:

The Government recognises the critical importance of prevention in our work to get back on track to ending homelessness.

In December the Government announced an extra £233 million to councils directly for homelessness, including the largest ever investment in prevention services, enabling councils to intervene earlier with targeted support. This took the total grant funding for homelessness to nearly £1 billion in 2025-26. This will help to prevent rises in the number of families in temporary accommodation and prevent rough sleeping.

We have also introduced a new ringfence within the Homelessness Prevention Grant, which will require authorities to spend at least 49% of this funding on prevention activities. In addition, the Local Government Finance Settlement for 2025-26 makes available over £69 billion for local government, which is a 6.8% cash terms increase in councils' Core Spending Power on 2024-25.

For 2025-26, MHCLG will be consolidating its main rough sleeping and single homelessness focused grants (Rough Sleeping Initiative, which includes Housing First funding, and Accommodation for Ex Offenders) into a single grant outside of the Settlement, to run alongside the Homelessness Prevention Grant. These two, targeted grants will put an end to bidding processes and enable local authorities to more efficiently and flexibly plan and deliver services.

The Government has committed to simplifying the wider local funding landscape, reducing the number of individual grants and consolidating them into the Local Government Finance Settlement where possible. This will provide local authorities with more flexibility to meet the needs of local people, and to decide how best to deliver on national priorities.

As part of these reforms, MHCLG will explore options for aligning Homelessness Prevention Grant funding with rough sleeping funding and consider whether and how to consolidate homelessness grant funding into the Local Government Finance Settlement. The government is committed to

resetting the relationship with local government and providing greater freedoms. MHCLG is considering how to deliver this consolidation in a way that ensures homelessness pressures are addressed and supports the government's commitment to getting back on track to ending homelessness, alongside meeting these wider ambitions.

We have set aside funding to protect local government from our changes to employer National Insurance Contributions, and the impacts they will have on in-house staff directly employed by councils. Raising the revenue required to fund public services and restoring economic stability requires difficult decisions on tax, which is why we are asking employers to contribute more. Our tax regime for charities is among the most generous in the world - with tax reliefs for charities and their donors worth just over £6 billion for the tax year to April 2024.

3. Housing Supply

The combination of an increase in demand for housing support and a decrease in available accommodation means that there is an increasing lack of places for people at risk of sleeping rough to go, be it temporary accommodation, supported housing, or some other arrangement. To address this the Government must drastically increase housing supply, including:

- ***Building more social and genuinely affordable housing as part of its ambition to build 1.5 million new homes, including potentially setting a specific sub-target for these types of tenures; and***
- ***Setting out a plan specifically for the rejuvenation of supported housing, including restoring funding for supported housing services previously provided by the Supporting People programme.***

Government Response:

Last July, the Government announced it will publish a housing strategy which will set out a long-term vision for a housing market that works for communities, builds 1.5 million high-quality homes, and the biggest increase in affordable housing for a generation. It will include the actions that government will take to reach this vision, building on the announcements already made, and providing long-term certainty for the market.

We have already taken the first steps. The 2021-26 Affordable Homes Programme had a budget of £11.5 billion, which was already fully committed outside London. We have since injected an extra £800 million into the Affordable Homes Programme to deliver up to 7,800 more homes, along with a further £2 billion investment, announced in March, to deliver up to 18,000 homes. We are reforming the Right to Buy to deliver a fairer and more sustainable scheme. We are reducing maximum Right to Buy cash discounts and increasing protections for newly built social homes. We are also consulting on a new 5-year social housing rent settlement to provide the sector with the certainty it needs to invest in new social housing.

This Government has also recently announced a £50 million increase to the third round of the Local Authority Housing Fund (LAHF 3), bringing total funding for this round to £500 million. The expanded third round will support local authorities to obtain better quality temporary accommodation for homeless families and will also provide safe and suitable housing for those on Afghan resettlement schemes who are fleeing persecution. LAHF 3 will deliver up to 2,700 homes by 2026.

In addition, at the multi-year Spending Review, the Government will set out details of new investment to succeed the 2021-26 Affordable Homes Programme to deliver a mix of homes for sub-market rent and homeownership, with a particular focus on delivering homes for Social Rent. The Government recognises the vital role played by supported housing in supporting its residents to live as independently as possible and reducing pressure on other key public services. The Affordable Homes Programme includes delivery of supported housing through Homes England nationally, and in London through the Greater London Authority (GLA).

The £200m Single Homelessness Accommodation Programme (SHAP) is delivering up to 2000 homes and accompanying support services for people with long or cyclical histories of sleeping rough, for people with the highest levels of support need and for young people aged 18-25. SHAP aims to provide longer term supported housing, Housing First and other housing-led accommodation with accompanying support for two target groups: adults experiencing multiple disadvantage who may have a history of rough sleeping and require high levels of support, and young people at risk of or

experiencing homelessness or rough sleeping. Allocations have now been made for the delivery of up to 2000 homes in target areas across England and for each unit three years of revenue support is available.

4. Access to support

Many people who present as homeless face unacceptable barriers to accessing housing support to which they should be entitled to prevent them from sleeping rough. The Government must act to remove these barriers by:

- *Reviewing the appropriateness of the guidance which councils have regard to when fulfilling their statutory housing support duties, particularly the impacts of the “intentional” homelessness concept introduced under the Housing Act (1996); the use of local connection tests and priority need assessments; and*
- *Asking the Home Office to evaluate the impact of the decision to temporarily extend the move-on period for asylum seekers from 28 days to 56 days, with a view to making this change permanent if this measure is effective at reducing homelessness.*

Government Response:

Local authorities are obliged to pay due regard to the statutory Homelessness Code of Guidance when discharging their statutory duties. The Homelessness Code of Guidance contains chapters on intentional homelessness, local connection and priority need. It is kept under review by MHCLG and is updated regularly to reflect the latest position and to enhance clarity of the guidance for local authorities. We will consider the issues the committee has raised and make any changes to the guidance as necessary following publication of our homelessness and rough sleeping strategy

Regarding the move-on period for asylum seekers, since 9 December 2024, individuals granted refugee status have had 56 days to move on from asylum support accommodation. This is intended to assist individuals and local authorities during the period of increased decision-making. It also provides more time for those that receive refugee status to make their own arrangement for work and housing. This pilot will be in place until June 2025, with an evaluation conducted during this period to inform future decisions.

It is important that we take time to evaluate the impact of these interim measures, including the overall net costs to taxpayers, before deciding whether to make the measures permanent. In parallel, we will continue to explore other opportunities to better support local authorities and individuals during the move-on process.

The Government is already taking action to address the barriers faced by young care leavers, victims of domestic abuse and veterans. As part of the Children’s Wellbeing and Schools Bill, the Government has brought forward a measure to disapply the intentional homelessness test for care leavers. Once implemented, this will mean that where a council is their corporate parent, no care leaver can be found to have become homeless intentionally. This change in legislation, in conjunction with other measures within the bill including Staying Close and the Local Offer, is an important step to ensure care leavers are not held back by their start in life and get the support they need to build a secure and successful future.

On 24 September 2024, the Prime Minister announced an ambition to house all veterans in housing need. To assist with this, regulations came into force on 18 December 2024 to exempt all veterans of the Regular Armed Forces from local connection tests, where they are imposed by local housing authorities, to facilitate their access to social housing without location restrictions in England. Before this, only those who had served within the 5 years before making an application were exempt from local connection tests.

The Government is also bringing forward changes to social housing allocations regulations to exempt care leavers under 25 and victims of domestic abuse from local connection and residency tests to facilitate their access to social housing. Regulations will be brought forward in due course.

5. Housing First

Housing First is working well at addressing both people's immediate need for housing and supporting the resolution of long-standing health and addiction issues for those with high support needs.

- *The Government should investigate the impacts of expanding Housing First beyond its initial pilot schemes;*
- *It must ensure that councils implementing Housing First projects in future take forward learnings from the pilot schemes, for example through the distribution of evidence-based guidance on the effective running of Housing First; and*
- *Ensure that there is a sufficient supply of available housing to enable these projects to succeed by implementing the recommendations on increasing the supply of housing outlined above.*

However, it is also important to remember that there is no “one size fits all” approach when it comes to resolving and mitigating the impacts of rough sleeping, and funding for Housing First should not be at the expense of other forms of support for those with lower support needs.

- *The Government should ensure that grant funding for rough sleeping support can continue to be spent on other forms of support for medium and low needs individuals.*

Government Response:

The previous government commissioned an evaluation of the Housing First pilots that were launched in 2018 in the West Midlands, Greater Manchester and Liverpool City Region. All six reports have now been published, with the final report published in October 2024, and can be found [here](#).

The pilots ended in 2023-24 but all three pilot areas are currently funded through the Rough Sleeping Initiative up to March 2025. This funding will continue in 2025-26 as part of the continuation of current rough sleeping funding in the Rough Sleeping Prevention and Recovery Grant. This fund is designed to be flexible and will enable Local Authorities to focus funding on local need, including Housing First initiatives.

As set out in our response to section 2, in 2025-26 we are consolidating our main rough sleeping and single homelessness focused grants (Rough Sleeping Initiative, which includes Housing First funding, and Accommodation for Ex Offenders) into a single grant outside of the Settlement, to run alongside our Homelessness Prevention Grant.

This funding will enable local authorities to continue to provide a range of specialist services to help the most vulnerable people in society off the streets and into secure accommodation, which could include setting up Housing First or housing-led solutions, to be determined by local need.

The Single Homelessness Accommodation Programme has funded supported housing, Housing First and other housing-led accommodation and this funding will continue to support these schemes in 2025-26.

6. Joined-up Working

We welcome the creation of the Inter-Ministerial Group on Tackling Homelessness and look forward to engaging with it in its efforts to end rough sleeping. It is crucial that the Group fosters better cross-Departmental working and also encourages more joined-up working at the local level, particularly between councils and local health services. With this in mind, the Government should:

- ***Make minutes from the meetings of the Group public or at least update the Committee on its objectives or terms of reference, discussions and plans;***
- ***As part of its plans for devolution, work with councils and the Department of Health and Social Care to resolve tensions created by the introduction of Integrated Care Boards in delivering integrated, effective and targeted health and care support for those at risk of homelessness and currently sleeping rough; and***
- ***Work with outreach charities to review how it can better support the provision of follow-up support for those leaving hospitals and prisons who are at risk of sleeping rough and provide funding for these “time-critical” interventions.***

Government Response:

The Deputy Prime Minister is leading cross-government work to deliver the long-term solutions we need to get us back on track to ending all forms of homelessness. This includes chairing a dedicated Inter-Ministerial Group (IMG), bringing together ministers from across government to develop a long-term strategy. The IMG includes ministers from the Ministry of Housing, Communities and Local Government, Home Office, Department for Education, Department for Work and Pensions, Department for Health and Social Care, Ministry of Defence, Ministry of Justice (MoJ), Cabinet Office, and His Majesty's Treasury.

In line with the practice of successive administrations, detailed minutes of ministerial meetings - even those that are declared publicly - are not normally disclosed.

As part of developing the NHS 10-year Plan, the Department of Health and Social Care (DHSC) is working closely with MHCLG and partners across the health service to consider how best to improve health outcomes for socially excluded groups.

DHSC recognises the importance of reducing barriers to access healthcare services for socially excluded groups, which is why it has supported the development and implementation of NICE Guidance (NG214) which provides recommendations on ways to improve access to, and engagement with, health and social care services for people experiencing homelessness and multiple disadvantage.

DHSC is also working across Government, the health system, local government, commissioners, and the voluntary sector to review and support implementation of NG214 both nationally and locally, with the aim to include setting priority areas of focus and identifying and sharing best practice for implementation.

On 30 January 2025, the Government published the policy framework for the Better Care Fund (BCF) for 2025-26, which will take effect on 1 April. The framework requires National Health Service integrated care boards (ICBs) and local authorities to agree to a joint plan to deliver the objectives of the BCF. The objectives state that local areas must agree to plans that achieve more timely and effective discharge from hospital. It is a national condition of the BCF that the development of joint plans must involve joint working with local housing authorities.

No one should be discharged from hospital to the streets, and it is vital that people have a place to stay and receive the help they need after leaving hospital. In England, we are investing in the Rough Sleeping Prevention and Recovery Grant, which includes rough sleeping services working with hospital trusts to improve hospital discharge arrangements.

Over recent years, MHCLG has worked closely with MoJ and His Majesty's Prison and Probation Service (HMPPS) to deliver the HMPPS Community Accommodation Service Tier 3 (CAS3) which provides up to 84 nights' accommodation for people who would otherwise be homeless on release from prison, and MHCLG's Accommodation for Ex Offenders (AfEO) scheme, which has funded local authorities to support ex-offenders to move to settled accommodation in the private rented sector.

MoJ have expanded CAS3 funding in 2025-26, and MHCLG's funding for homelessness services is increasing by £233 million for 2025-26 when compared to last year taking the total spend to nearly £1 billion in 2025-26. This will enable local authorities to maintain and expand AfEO schemes and wider accommodation options for people leaving prison to meet local need. We are working with MOJ to identify how we might support local services to work together to build on good practice across these to support prison leavers to access and remain in settled accommodation.

7. Data

The Government will be in a better position to develop effective solutions to the rough sleeping emergency when it has robust data and evidence to use as a base for developing policy options. More effective data collection and monitoring on rough sleeping is badly needed as a starting point. The Government should therefore:

- *Review the way the rough sleeping annual snapshot is conducted and devise a plan for improving the estimate, including capturing incidences of “hidden” rough sleeping, and capturing more demographic and situational information (i.e. proportions of recent hospital and/or prison leavers);*
- *Conduct an assessment with councils to understand how useful they currently find the current snapshot and data framework and seek recommendations from them on how to improve this; and*
- *Foster greater data-sharing between different Departments whose work impacts rough sleeping, including the Department of Health and Social Care and the Home Office.*

Government Response:

The annual snapshot statistics remain our official and most robust measure of rough sleeping on a single night.

Accurately estimating the number of people sleeping rough within a local authority is inherently difficult given the hidden nature of rough sleeping. We remain confident that the annual rough sleeping snapshot provides a consistent and robust reflection of the number of people sleeping rough on the streets on a single night, and a vital way of assessing change over time. These methods have also been adopted in many cities across the world.

However, we recognise that the single night figure only shows part of the picture. Our focus is to recognise the complex nature of rough sleeping and a system that tackles it at every point.

The Rough Sleeping Data Framework has been published since 2022. It was designed to better understand how far rough sleeping is prevented wherever possible, and where it does occur, if it is rare, brief, and non-recurring. This management information gives more recent and more detailed information about people sleeping rough, albeit without the greater verification of the annual snapshot official statistics.

As the framework develops, we will consider how we align the snapshot statistics with the data-led framework. We will continue to improve the relevance of the data we collect on rough sleeping while aiming to minimise the burdens on local authorities.

As part of our homelessness strategy development, we have sought advice from the sector on accountability and data and are taking their feedback into account in our ongoing strategy development.

MHCLG has been working with departments, including the Ministry of Justice (MoJ) and the Office of Health Improvement and Disparities at DHSC, to improve data sharing and linking across government as part of the Better Outcomes through Linked Data (BOLD) programme. The BOLD Homelessness Pilot project aims to better understand why some people repeatedly become homeless, and how else data on homelessness and rough sleeping can be linked with other datasets. We are also conducting interviews with people with experience of sleeping rough in 31 local authorities across

the country. Where participants agree their responses will be linked to administrative datasets across government, starting with MoJ to better understand their interactions with the criminal justice system and government services.