



Ministry of Housing,
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Dear Meg,

Thank you for your letter of 2 March regarding our recent funding announcement to support the provision of additional accommodation for rough sleepers and further clarification of the homelessness and rough sleeping headline funding commitments.

Following Budget 2020 we have now announced £381 million to deliver up to 6,000 units of longer-term, settled accommodation, including move on, for rough sleepers and those at risk of rough sleeping over the parliament. This will provide funding to bring suitable housing forward through a range of delivery routes including by refurbishing existing accommodation units, acquisition of new units and leasing private rented sector (PRS) properties specifically for those who are rough sleeping or at risk of rough sleeping.

The £381 million breaks down as £237 million of capital funding, announced by the Prime Minister on 27 February to bring forward units and £144 million for tenancy support services to help rough sleepers retain their housing. I have detailed the funding profile below. I can confirm that this funding is in cash terms. It is new funding and does not supersede previous announcements and is a commitment to spend based on estimated costs.

Year	2020/21	2021/22	2022/23	2023/24	Total (£m)
CDEL (£m)	35	95	83	24	237
RDEL (£m)	8	31	50	55	144
Total (£m)	43	126	133	79	381

NB exact profiles will be subject to change as we progress our internal financial signoff process.

You also asked for a breakdown of the £437 million previously announced for 2020/21. Given recent Budget announcements we are now providing £498 million in 2020/21 to tackle homelessness and rough sleeping, which marks a real term increase of £130 million from the previous funding year. The breakdown is as follows:

- The Homelessness Reduction Grant: The £63 million fund provides an uplift on previous years' new burdens funding to implement the Homelessness Reduction Act and will enable local authorities to do more to prevent and relieve homelessness in their areas.
- The Rough Sleeping initiative: £112 million of a £125 million funding package for 2020/21 which combines the Rough Sleeping Initiative and the Rapid Rehousing Pathway into a single, streamlined funding mechanism designed to support the establishment or enhancement of coordinated local services for rough sleepers, or those at risk of sleeping rough. £12 million of the remaining funds have been allocated to enhance additional rough sleeping services. Note £1 million of this fund is yet to be allocated.
- The Flexible Homelessness Support Grant: £200 million which seeks to help local authorities plan and respond to their local homelessness pressures.
- Three additional Budget announcements:
 - Additional accommodation units for rough sleepers (£43m in 2020/21)
 - Substance misuse treatment services (£7m in 2020/21)
 - Multiple Complex Needs pilot (£6m in 2020/21)
- Housing First pilots to provide rough sleepers with the most complex needs with stable and affordable accommodation that includes intensive wrap-around support to help them recover from complex issues and sustain their tenancies (£14m in 2021).
- A London Collaboration Project which aims to become the main source of private rented sector accommodation to prevent and relieve homelessness in London (£13m in 2020/21).
- Several smaller pilots/funding streams such as the Offender Accommodation Pilot and Rough Sleeping Social Impact Bond (£8m in 2020/21).
- A reprofiling of £5m for 2020/21 agreed at 2019/20 supplementary estimates for Access to PRS and London Collaboration Project Capital Letters.
- A number of smaller funding workstreams such as the Workforce Capability Project (£8m in 2020/21), evaluation and research contracts (£3m in 2020/21) and our expert adviser teams (£3m in 2020/21).

I hope this response reassures you of the scale of interventions we are making to support our commitment to end rough sleeping by the end of the parliament and to implement the Homelessness Reduction Act.



JEREMY POCKLINGTON