

City of London Corporation Committee Report

Committee: Homelessness and Rough Sleeping Sub-Committee	Dated: 03/02/2025
Subject: Rough Sleeping Prevention and Recovery Grant 2025/26 Update Report	Public report: For Information
This proposal: <ul style="list-style-type: none"> delivers Corporate Plan 2024-29 outcomes 	Diverse Engagement Communities Proving Excellent Services
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Judith Finlay, Executive Director of Community and Children's Services
Report author:	Will Norman, Head of Homelessness Prevention and Rough Sleeping

Summary

This report provides Members with an update on our Rough Sleeping Prevention and Recovery Grant (RSPRG) spending plans for the period 2025/26. This new grant programme replaces the previous Rough Sleeping Initiative (RSI) grant which City of London has received awards from since 2019/20. The Ministry of Housing, Communities & Local Government (MHCLG) confirmed the City of London award of £1,373,509 for 2025/26, which is very similar to the amount awarded in 2024/25 under the RSI grant.

The grant will be paid in the spring of 2025 in a single tranche as a Section 31 ring-fenced payment. The grant will be subject to a single, light-touch mid-year delivery report and an end of year declaration.

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This report references the following priorities from the Homelessness and Rough Sleeping Strategy 2023–2027:

- Priority 1 – Rapid, effective and tailored interventions
- Priority 2 – Securing access to suitable, affordable accommodation
- Priority 3 – Achieving our goals through better collaboration and partnership
- Priority 4 – Providing support beyond accommodation.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. In February 2022, City of London officers submitted a 2022–2025 RSI proposal totalling £3,709,566. The core RSI award for 2024/2025 was £1,373,840.
2. The current RSI award, which expires on 31 March 2025, covers 15 projects, posts or funds. Most are funded by the RSI grant. Some interventions are funded by a mix of RSI grant and City Fund, and some are shared with other local authorities from their respective RSI awards. A number of interventions, such as posts, are funded across more than one City of London team/budget area.
3. The new RSPRG covers the financial year (FY) 2025/26. The MHCLG has reduced the emphasis on co-production and moderation of funding proposals in favour of a ring-fenced grant award and has removed individual lines with funding allocations attached. This gives officers greater flexibility in how the grant is used.
4. The RSPRG 2025/26 award of £1,373,590 very closely reflects the RSI award of 2024/25. Increases to employers' National Insurance contributions and sustained inflation means that services are more expensive to commission this year than last year. Contracts funded by the RSI were scheduled to end when grant-confirmed funding expired, so services will need to be recommissioned. The additional cost of (re)commissioning interventions will need to be factored into the spending plans for 2025/26.

Current Position

5. Officers are currently developing spending plans that sustain the most effective elements of the current RSI programme, while also considering new interventions which help equip us to respond to current and near future demand.

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6. Posts held by City of London staff on fixed-term contracts aligned with the RSI have been moved to new 12-month fixed-term contracts. These salary costs, whether wholly or in part, will be met from the Homelessness and Rough Sleeping base budget in 2025/26. The roles are:
 - Homeless Health Coordinator
 - Senior Commissioning Manager
 - Strength Based Practitioner (reporting to the Rough Sleeping Social Worker)
 - Pathway Liaison Officer.
7. Funding for The Lodge and City Lodge residential projects, and small budgets for reflective practice and personalisation will also be moved to the Homelessness and Rough Sleeping budget area. These changes allow space within the 2025/26 funding envelope to address shifting demand and experiment with new interventions.
8. Additional to the City of London RSPRG award, the north-east London sub-region has been awarded £1,323,562. Officers are liaising with the sub-regional co-ordinator and colleagues across neighbouring boroughs to discuss how a portion of this funding can be used in the Square Mile.
9. Members will be updated with a more comprehensive explanation of how the grants have been used at the 14 May 2025 Sub-Committee meeting. The deadline for finalising City of London plans is driven by the pace at which we can complete the necessary procurement processes. Officers are working to deliver new interventions and recommission existing interventions as close to the start of the new financial year as possible.

Corporate & Strategic Implications

10. **Financial implications** – N/A
11. **Resource implications** – N/A
12. **Legal implications** – N/A
13. **Risk implications** – N/A
14. **Equalities implications** – N/A
15. **Climate implications** – N/A
16. **Security implications** – N/A

Conclusion

17. MHCLG has confirmed that City of London will receive £1,373,590 from the new RSPRG for 2025/26. This grant programme has replaced the RSI grant.

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18. The award is very close to that provided through the 2024/25 RSI grant. The grant will be provided in a single tranche in April 2025 with less co-production and moderation than previously associated with the RSI programme.
19. Some salary and project costs will be moved to the Homelessness and Rough Sleeping budget to allow officers to develop and evolve our existing programme of work to address changing demand and service pressures.
20. The north-east London sub-region has been awarded an additional £1,323,562. Officers are liaising with colleagues in the sub-region to discuss the use of these funds in 2025/26.
21. Members will receive a comprehensive description of changes to RSPRG funded service delivery at the 14 May Homelessness and Rough Sleeping Sub-Committee meeting.

Appendices

- None

Background papers

- Post Rough Sleeping Initiative Planning Proposal Report – Homelessness and Rough Sleeping Sub-Committee – 4 March 2024
- Post Rough Sleeping Initiative Planning Proposal Report – Homelessness and Rough Sleeping Sub-Committee – 10 June 2024
- Post Rough Sleeping Initiative Planning Proposal Report – Homelessness and Rough Sleeping Sub-Committee – 9 September 2024

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