

City of London Corporation Committee Report

Committees: Community and Children's Services Committee – For decision Policy and Resources Committee – For decision	Dates: 17/09/2025 18/09/2025
Subject: North East London Rough Sleeping Prevention and Recovery Grant Delivery Proposal	Public report: For Decision
This proposal: • delivers Corporate Plan 2024–2029 outcome:	Delivering Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	NA
What is the source of Funding?	MHCLG Rough Sleeping Prevention and Recovery Grant (RSPARG)
Has this Funding Source been agreed with the Chamberlain's Department?	NA
Report of:	Judith Finlay – Executive Director, Community and Children's Services
Report author:	Will Norman – Head of Homelessness Prevention and Rough Sleeping

Summary

This report seeks approval for the City of London to act as the lead authority, commissioning body and administrator for the Rough Sleeping Prevention and Recovery Grant (RSPARG) on behalf of the North East London (NEL) sub-region.

The proposal covers an initial period of FY 2025/26; however, Members are also asked to consider the possibility of in-year increases to grant funding and approval for an extended period pending confirmation of further grant funding for 2026/27 and beyond.

RSPARG grant funding is provided to individual local authorities and sub-regions through a ring-fenced section 31 grant. The funding should be used to provide vital single

homelessness and rough sleeping services, to support individuals sleeping rough, at risk of sleeping rough, or at risk of returning to rough sleeping

The proposal sets out the new governance and oversight arrangements required to safely deliver the 2025/26 grant on behalf of the seven NEL local authorities, plus the City of London.

Recommendations

Members of Community and Children's Services Committee are asked to note the report and endorse the proposal for consideration and approval by the Policy and Resources Committee.

Members of Policy and Resources Committee are asked to note the report and approve the proposal.

Main Report

Background

1. The Ministry of Housing, Communities & Local Government's (MHCLG's) Rough Sleeping Prevention and Recovery Grant (RSPARG) was first awarded in 2024/25 and is split between direct awards to individual local authorities and awards to sub-regions. The City of London is part of a NEL sub-region which includes seven boroughs and the City of London.
2. The RSPARG was preceded by the previous government's Rough Sleeping Initiative (RSI) grant programme. The City of London has been in receipt of RSI funding since 2017/18, with the most recent award being a three-year award covering 2022/23 to 2024/25 and totalling £3,986,399.
3. The purpose of the RSPARG is to enable local authorities to continue vital rough sleeping services, to support individuals sleeping rough, at risk of sleeping rough, or at risk of returning to rough sleeping. It provides local authorities with the flexibility to determine the most effective services, driven by local need, to be delivered in line with the national priority impacts set out in the grant conditions.
4. The RSPARG is paid in a single tranche as a Section 31 ring-fenced payment. The grant is subject to a single, light-touch mid-year delivery report and an end-of-year declaration.
5. The current NEL sub-region was established in 2023/24 with funding from MHCLG. Five funding streams have been allocated to the sub-region across 2023–2025. All were spent and delivered significant additional interventions above those that boroughs had already individually committed to.
6. The role of the NEL sub-region is to foster a closer working relationships across local authorities through shared practice and resources. The NEL boroughs are Hackney, Tower Hamlets, Newham, Barking and Dagenham, Waltham Forest, Havering and Redbridge. Each local authority attends monthly meetings chaired by the NEL Co-ordinator. The meetings are also attended by representatives from London Councils, MHCLG and health partners. Examples of work commissioned and delivered through NEL to date includes:

- A sub-regional reciprocal accommodation agreement between six out of eight boroughs
- A five-month winter hub for NEL boroughs based in Newham
- Expansion of specialist psychotherapy outreach from three to five boroughs
- Expansion of homeless health workstreams across primary care, speech and language therapy, harm reduction and personalised health budgets
- A Private Rented Sector (PRS) scheme with access to rent in advance, deposits, landlord incentives and access to suitable and affordable PRS properties
- Continuation of the mental health outreach service in NEL
- Funding for accommodation stays for clients accessing immigration advice.

Current Position

7. The Government's new RSPARG programme was publicly announced on 18 December 2024. The initial award for 2025/26 includes £1,373,509 individual allocation to the City of London and £767,448 allocated to the NEL sub-region. Payment was made on 1 May 2025.
8. Service delivery funded by the City's individual RSPARG award is managed locally by the Homelessness and Rough Sleeping Service in co-operation with colleagues in Community and Children's Services, Chamberlain's Department, Commercial Services, and Comptroller's Office.
9. For the purpose of this report, Members' attention is drawn to the NEL sub-region element of the RSPARG award, which for 2025/26 totals £767,448.
10. In previous years the MHCLG has occasionally topped-up an initial grant award payments with additional funding that is required to be committed in-year. Members are asked to consider this possibility arising in 2025/26 (please see Non-public Appendix 1).
11. The 2025/26 award has been provisionally allocated to Redbridge, pending a decision on which NEL authority is best placed to assume the role of lead authority. Redbridge is not in a position to take future procurement workstreams forward. Considering this, all seven NEL boroughs and MHCLG endorse the City of London's proposal to assume the role of lead authority.
12. A fixed-term post located in Redbridge acts as a Sub-regional Co-ordinator. The post holder convenes a monthly meeting, commissions new services, monitors and tracks existing service delivery, acts as a contract monitoring officer, and is responsible for financial monitoring returns to MHCLG.
13. The City Homelessness and Rough Sleeping Service currently liaises regularly with MHCLG Rough Sleeping Advisors, and existing arrangements are in place for expenditure declarations against City of London's specific allocations to be approved by the Section 151 Officer.
14. The Homelessness and Rough Sleeping Service is a regular contributor to the existing NEL sub-region work group; however, the sub-region currently lacks comprehensive governance and oversight arrangements. A draft work plan for

delivering proposed activity in 2025/26 has been prepared by the sub-region contributors in advance of a lead authority being confirmed.

15. An opportunity exists to more closely align the strategic objectives of the NEL rough sleeping sub-region with the NEL Integrated Care Board (ICB). The City of London's Homelessness and Rough Sleeping Service is already engaged with the NEL ICB Homelessness Health Strategy at place and neighbourhood level.

Options

16. **Option 1** – the City of London will act as the lead authority for the NEL sub-region. The City of London will be the recipient of RSPARG funding for 2025/26, with consideration given to extending this arrangement to align with confirmation of future funding for 2026/27 and beyond.
17. Each NEL borough will submit their own management information data on the Government's data collection portal (Delta) confirming the number of people sleeping rough. The City of London will submit a spend declaration at the end of the grant period setting out the total amount spent by the authority on behalf of the sub-region. The City of London Section 151 Officer will approve spend declarations.
18. The City of London and an MHCLG Rough Sleeping Advisor will identify a senior officer (Housing Director or similar) from another authority in the sub-region to act as a programme sponsor.
19. The Sub-regional Co-ordinator post will either move from Redbridge under a secondment, or a recruitment process will be required to identify a suitable candidate. The post will report to the Head of Homelessness, Prevention and Rough Sleeping.
20. The Programme Sponsor, Sub-regional Co-ordinator and City's Head of Homelessness, Prevention and Rough Sleeping will anchor a strategic delivery board (also including an MHCLG representative and others to be confirmed) to provide governance and oversight of procurement decisions, contractor performance and MHCLG communication. NEL boroughs will sign up to a memorandum of understanding drafted in collaboration with City of London legal services. This addresses the lack of governance under the current arrangement.
21. **Option 2** – the City of London will not assume a lead authority function for the NEL sub-region. Redbridge will retain the budget and the role until such time as an alternative arrangement can be designed and implemented. The City of London will sustain its participation in the NEL sub-region as an equal with the other boroughs involved.

Proposal

22. Option 1 – the City of London will act as the lead authority and commissioning body for the RSPARG grant for the period 2025/26. Should this prove successful and, if the RSPARG grant programme is extended beyond 2025/26 (the most probable outcome is a three-year programme), the commitment should be extended to align with available funding.

Key Data, Facts and Figures¹

¹ Source – Combined Homelessness and Information Network (CHAIN)

23. Table 1 – Summary data

Total rough sleepers seen in Greater London 2024/25	13,231
City as a % of total rough sleepers in Greater London	6.64%
City as a % of rough sleepers in NEL sub-region	29.25%
NEL sub-region as a % of total rough sleepers in Greater London	22.29%

24. Table 2 – Total rough sleepers in NEL sub-region by borough, 2024/25

Barking & Dagenham	144
City of London	878
Hackney	298
Havering	67
Newham	545
Redbridge	285
Tower Hamlets	546
Waltham Forest	239
Total	<u>3002</u>

25. Table 3 – Single night snapshot count of rough sleepers, November 2024

Barking & Dagenham	6
City of London	86
Hackney	20
Havering	9
Newham	28
Redbridge	19
Tower Hamlets	39
Waltham Forest	60
Total	<u>267</u>

Corporate & Strategic Implications

26. Financial implications – Option 1 is funded from the RSPARG programme and funding is confirmed for 2025/26. Option 1 does not anticipate the City of London contributing any funding. No decision has been made by MHCLG regarding an extended RSPARG programme for 2026/27 and beyond, and confirmation is not expected until later in 2025.
27. Resource implications – Consideration will be given to the resource implications in Community and Children's Services, Chamberlain's Department, Commercial Services, and Comptroller's Office. Grant funding will be used to add short- to medium-term capacity.

28. Legal implications – There are legal risks inherent in managing procurement projects for third parties, however these can be mitigated by clear contract language and the City does have experience in managing similar pan-London contracts. Data protection implications, and data sharing implications must be considered for the project. In this respect, the City's Information Governance Team have recommended that a data mapping exercise be undertaken, and a Data Protection Impact Assessment be completed in accordance with Article 35 of the UK GDPR.
29. Risk implications – There are inherent risks in acting as a lead commissioner in procurement and commissioning in terms of market interest/availability, provider failure, reputational risk by association, with service closure and government funding that can be subject to change. Risks will be mitigated through the City of London Corporation's contract management arrangements, Commercial Services and legal input. These areas are all to be funded by the RSPARG programme. The requirement to commit spending in FY 2025/26 increases the risk of returning an underspend in the end of year financial declaration. MHCLG notes the challenges faced in assuming a lead authority role at this stage of the financial year and acknowledges the practical implications. The NEL Strategic Delivery Board will provide governance and oversight arrangements. The proposal echoes similar arrangements already in place in delivering the London Sexual Health Partnership and Inpatient Detoxification programmes delivered by Community and Children's Services. If Option 2 is preferred, there is a risk that operational activity to help tackle rough sleeping in the City will not be procured, and therefore rough sleeping numbers may increase.
30. Equalities implications – Rough sleeping populations are among the most disadvantaged and underserved by public services. Option 1 will help the City of London and the NEL sub-region address these issues with greater strategic focus.
31. Climate implications – none
32. Security implications – none

Conclusion

33. The NEL sub-region was awarded £767,448 of grant funding from the Government's RSPARG programme in May 2025. In-year increases in grant funding as well as an extended grant programme from 2026/27 are possibilities.
34. The RSPARG fund is allocated to help local authorities tackle rising levels of rough sleeping through prevention and relief workstreams procured using grants allocated directly to housing authorities and sub-regions.
35. There is currently no lead authority within the NEL sub-region to assume responsibility for using RSPARG funding to procure activity that helps the City of London and NEL sub-region tackle street homelessness.
36. Option 1 in the proposal section of the report sets out how the City of London will act as lead authority. The core responsibilities include liaison with MHCLG regarding progress in grant delivery, procurement activity, contract monitoring and expenditure declarations.

37. Additional resourcing to the City's Homelessness and Rough Sleeping Service, Procurement, Commissioning and Legal services will be funded from the grant and there are no additional costs to the City of London in acting as lead authority.
38. Governance and oversight will be provided by a Strategic Delivery Board chaired by an independent senior housing professional from within the NEL sub-region. NEL member authorities will sign up to a memorandum of understanding.

Appendices

- Non-public Appendix 1 - North East London Rough Sleeping Prevention and Recovery Grant Delivery Proposal

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