

City of London Corporation Committee Report

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| Committee(s): Homelessness and Rough Sleeping Subcommittee | Dated: 12/02/2026 |
| Subject: Homelessness & Rough Sleeping - Current and Future Priorities Report | Public report: For Information |
| This proposal: <ul style="list-style-type: none">• delivers Corporate Plan 2024-29 outcomes | Providing Excellent Services |
| Does this proposal require extra revenue and/or capital spending? | No |
| If so, how much? | NA |
| What is the source of Funding? | NA |
| 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 provides Members with summary of the current and near future priorities for the Homelessness and Rough Sleeping Team. The report is timed to mark the half-way point in the Homelessness & Rough Sleeping Strategy 2023-27 and considers recent independent evaluation feedback on the Statutory Homelessness and Rough Sleeping Services.

The report takes into account changes to Central Government grant funding which offer Local Authorities more flexibility about how grants are used and the formation of the Ending Homelessness Accelerator Programme which will direct more grant funding into the newly created North-East London subregion.

The report will briefly revisit the independent review information previously shared with Members and introduce a new document which looks at the City's use of Temporary

Accommodation. The main part of the report will set out our current priorities for 2026/27 and outline potential interventions being considered for 2027/28 and beyond.

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

- Priority 1 – Providing 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(s)

Members are asked to:

- Note the report.

Main Report

Background

Key Reference Points

1. The City's Homelessness and Rough Sleeping Strategy 2023-27 has just passed the half-way point. The strategy update report scheduled to be heard at the February Homelessness & Rough Sleeping Subcommittee covers reporting period 9 out of the 16 scheduled. Each reporting period aligns with a financial quarter.
2. The Government launched 'A National Plan to End Homelessness'¹ in December 2025. This strategic document sets out the Governments plan through immediate, medium and long-term objectives. The Government has pledged £3.5bn across the next 3 years to further these aims.
3. The Mayor of London launched the Greater London Authority's 'Rough Sleeping Plan of Action'² in May 2025. The plan pledges to end rough sleeping in the Capital by 2030.
4. In January 2025 the Ministry for Housing, Communities and Local Government (MHCLG) Housing Advice and Support Team (HAST) visited the City of London's Statutory Homelessness Team to carry out a diagnostic review. The 10-point framework used in the process and the subsequent feedback visit and document (which took place in March 2025) provides officers and Members with an independent evaluation of the health of the service. The HAST visit was carried out on a voluntary basis and requested by the City of London. Members received a summary report at the July 2025 subcommittee.

¹ [A National Plan to End Homelessness - GOV.UK](#)

² [The Mayor's Rough Sleeping Plan of Action 2025 | London City Hall](#)

- Between November 2024 and July 2025, Homeless Link were commissioned to undertake an independent review of our Rough Sleeping Service. The subsequent report was presented to Members at the October 2025 Homelessness and Rough Sleeping Subcommittee.
- Officers in Community and Children's Services have been working with Chamberlains on a review of our use of Temporary Accommodation (TA). This can be found at appendix 1. Increasing demand allied with rising costs have put Local Authority budgets under pressure across the country, but particularly in London. £900m was spent on TA by London boroughs in 2024/25, averaging £28m per borough. Despite much of the cost being recoverable through Housing Benefit and Universal Credit, there remains a net cost to Councils through the subsidy deficit. In 2024/25 this figure was £693,216 for the City of London. The review looks at how TA is used a homelessness prevention and relief measure and tracks the cost and demand change over time.

Sources of Funding

- The City of London is in receipt of grant funding from MHCLG for homelessness prevention (the last grant was called the Homelessness Prevention Grant) and rough sleeping (formally the Rough Sleeping Initiative (RSI) Grant and now the Rough Sleeping Prevention and Recovery (RSPARG) Grant). Table 1 shows the level of funding awarded directly to the City of London across the two themes – prevention and rough sleeping.

Table 1.

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|--|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Homelessness Prevention Funding | 123,702 | 134,166 | 135,454 | 135,880 | 178,670 | 222,136 | 2,240,775 |
| Rough Sleeping Funding | 590,300 | 1,028,677 | 1,279,652 | 1,254,533 | 1,297,540 | 1,373,590 | |
| Total | 714,002 | 1,162,843 | 1,415,106 | 1,390,413 | 1,476,210 | 1,595,726 | 2,240,775 |

- The table shows the principal grants only and does not include unscheduled top-ups, winter payments and Covid-19 related grants.
- Prevention funding has been based on data submitted by our Statutory Homelessness service. The level the City receives reflects demand upon the service and changes to the Government's funding formula over time.
- Funding for rough sleeping has increased steadily through the RSI period. 2022/23 to 2024/25 was a 3-year settlement and 2025/26 was effectively a roll-over of funding while the Government designed its new grant funding regime.
- The RSPARG grant launched in 2025/26 with changed conditions over the previous RSI grant by removing the ring-fencing requirements. This is effectively a holding pattern until a new, multi-year grant programme is launched in 2026/27. This new programme folds prevention and rough sleeping into a single fund.

12. The individual borough award for 2026/27 combined prevention and relief funding (effectively homelessness prevention and rough sleeping) into a single pot. The first award under the new funding regime represents an increase in funding if compared to the combined values of the HPG and RSPARG grants from previous years.

13. Additional to individual borough awards, grant funding has been awarded to the North-East London (NEL) subregion, of which the City of London is a member. Decisions about how to spend the grant are made through a sub-regional forum which City attends. Interventions can be borough specific, multi-borough or subregional. A total of £3,553,933 has been awarded for 2025/26. From 2026/27 the new Ending Homelessness Accelerator Programme will supersede the current subregional funding arrangements. The MHCLG will award directly to the Greater London Authority (GLA) and the GLA will share the grant out around London's sub-regions. Details around levels of funding are not known currently.

14. Table 2 shows funding allocated to Homelessness and Rough Sleeping from City Fund. The allocation is split between Rough Sleeping and Statutory Homelessness, with a third line allocated to central or shared costs. These are administration costs, salaries and fees which cut across the service area.

Table 2.

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025/26 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Statutory Homelessness Budget | 413,000 | 417,000 | 441,000 | 456,000 | 759,000 | 1,072,000 |
| Rough Sleeping Budget | 1,418,000 | 1,563,000 | 1,775,000 | 1,771,000 | 1,691,000 | 1,611,000 |
| Central & Shared Budget | 1,111,000 | 907,000 | 1,094,000 | 1,585,000 | 1,464,000 | 915,000 |
| Total | 2,942,000 | 2,887,000 | 3,310,000 | 3,812,000 | 3,914,000 | 3,598,000 |

15. As set out in the Medium-Term Financial Plan, additional funding of £953,000 has been included in the 2026/27 estimates for Homelessness. However, the budget also includes an unidentified savings requirement of £398,000. This means that a savings target has been included to reflect pressures such as contract inflation uplifts, rising temporary accommodation costs, and increased rough sleeping, but the specific actions or proposals to deliver those savings have not yet been finalised and will be worked through during the year.

Current Position

16. The following section provides a high-level summary of our priorities as we conclude 2025/26 and move into 2026/27 and the first year of EHAP funding for the NEL subregion.

17. The areas below are informed by the funding and strategic reference points set out in paras 1-14. The EHAP offers a new level of autonomy, within a sub-regional context, however detail about grant conditions, governance arrangements and funding remain unknown. As such, an indication of how the EHAP fund can further City's homelessness and rough sleeping objectives, particularly in 2027/28 and beyond is still unclear.

18. The priorities below are being developed on the assumption that they must be delivered within the budget envelope afforded by a combination of the City Fund budget allocation to Homelessness and Rough Sleeping and a draw down from the EHAP funding award to the NEL subregion.

19. In the event funding for Homelessness and Rough Sleeping changes, either because of a reduction in City Fund or MHCLG funding, a re-prioritisation process will need to follow in consultation with procurement and legal colleagues and our commissioned providers.

Current and 2026/27 priorities

20. Refocussing outreach resource around long-term/complex needs rough sleepers.

- Data tells us that an increasing proportion of City rough sleepers are recorded in the Square Mile for the first time and/or pass through quickly, often after a contact or two. Simultaneously, the City has one of London's largest long-term and complex needs cohorts. The new rough sleeper outreach contract will reflect this dichotomy and ask providers to concentrate resources where they can have most impact, while also ensuring new referrals are met and offered assistance quickly. This is a general principle we can experiment with across our rough sleeping services.

21. Seek ways to develop our Statutory Homelessness Service to help it deliver more prevention and relief activity, particularly the relief of rough sleeping.

- Increasing capacity in the Statutory team will facilitate more rough sleepers being directed through statutory pathways. This will involve increasing prevention and relief activity as well as capacity in the systems which support effective statutory duty discharges – for example, access to affordable TA, social housing and the private rented sector.

22. Develop fair and transparent reconnection/redirection approach.

- This will improve the rate at which we successfully redirect and reconnect rough sleepers to their areas of origin. This is particularly important where they are owed a statutory duty in those areas. This is system wide development which would involve new services to support the assessment and referral of rough sleepers, access to independent legal advice etc.

23. Improve efficiency in our use of TA.

- Explore ways of reducing net cost of TA through greater efficiency in the sourcing and acquisition of affordable properties. Consider the link between single homelessness/rough sleeping and use of TA as a relief measure. Investigate ways of reducing the time households spend in TA, particularly those owed a Main Duty – this will include developing more robust private rented sector solutions and improved routes into social housing and affordable homes.

24. Continue developing practice around rough sleeping encampments.

- We have seen effective partnership work develop between the Community Safety Team, City of London Police, Cleansing and our commissioned rough sleeping services. However, encampments remain a growing concern in the Square Mile and across Greater London. A renewed focus on encampments could incorporate an increase in outreach capacity, new workstreams to build expertise in immigration advice and dedicated budgets to assist rough sleepers with no recourse to public funds.

25. Develop new cross-borough working relationships.

- The NEL subregion offers obvious partnership opportunities, and we will see these evolve through the delivery of EHAP funded shared interventions. The City's role as the lead borough for procuring suppliers on behalf of NEL will support this. We will also explore potential new partnership with boroughs outside our subregion with rough sleeping data and responses that more closely reflect the challenges faced by the City of London.

2027/28 and beyond

26. Build 'staging post' capacity to ease pressure on assessment services.

- The Snow Hill Court assessment centre, which opened in 2024, has enjoyed a demonstrable impact as a route off the street offer for our outreach services. Since the building was sourced and the service designed, the City has seen a steady increase in rough sleeping. The need to carry out assessments and onward referral at pace, places the service under considerable pressure. Medium-term accommodation to hold clients while delivering plans relieves that pressure and is a well proven model already in place with the GLA funded No Second Night Out hubs. Sourcing building assets is challenging, and this is an area where partnership across boroughs or in the NEL subregion could be rewarding.

27. New services to address health needs and alleviate winter pressures.

- A health hub aligns with our Homelessness Health Work Plan, and which seeks to address the health inequalities found in this client group, particularly primary care. A much-needed client facing service, the Hub could serve as a multi-disciplinary space enabling our professional network to coalesce around the individual.
- City SWEP capacity is flexible and adaptable and each year we meet whatever need arises. However, how the City delivers emergency and short-term accommodation during the winter, whether SWEP related or otherwise, could be more efficient and impactful over the longer-term.

28. Translate cross-borough partnerships into delivery.

- Whether new partnerships are found in the NEL subregion or our near neighbours in terms of rough sleeping data or geography, our objective is for conversations that begin in 2026/27 will translate into service delivery during 2027/28. New services should increase the City's reach and capacity and/or improve efficiency in service delivery by sharing resources.

Next Steps

29. A review of our existing rough sleeping work programme is currently under way. This needs to be concluded before the end of the financial year in order for grant funding allocated 2026/27 to be used for contract extensions and new procurement processes.
30. Between now and 31 March 2026 we expect to hear from the GLA regarding the level of funding awarded to the NEL subregion to support the new EHAP programme. At the same time a new governance framework will be established by LB Waltham Forest, who are providing the strategic lead for the programme. The City of London will contribute in two ways – as the procurement lead for the NEL subregion and as an equal partner alongside the other NEL boroughs.

Options

31. There are no options for Members to consider

Proposals

32. There are no proposals for Members to consider

Key Data

33. There is no data for members to consider

Corporate & Strategic Implications

Strategic implications – none

Financial implications - none

Resource implications - none

Legal implications - none

Risk implications - none

Equalities implications – none

Climate implications - none

Security implications - none

Conclusion

34. Government grant funding for homelessness prevention and rough sleeping has been steadily increasing over the last 6 years. Funding for rough sleeping is significantly greater which reflects the size of the City's rough sleeping cohort versus the size of our resident population.
35. The way grant funding is allocated is changing in 2026/27 with the launch of the Government's Ending Homelessness Accelerator Programme and delegation to the GLA for distributing shared funding pots to London's subregions. This represents an opportunity to approach the way we seek funding and work collaboratively in a different way.
36. The Homelessness and Rough Sleeping Service has been through two review processes in the last year – the HAST diagnostic review of the Statutory Homelessness Service and an independent review of the City's rough sleeping service delivery, commissioned by the City and delivered by Homeless Link.
37. Key strategic documents designed to address homelessness and rough sleeping have been published recently by the Greater London Authority and Central Government. The City's Homelessness and Rough Sleeping Strategy expires in 2027, and work will begin later in 2026 on the next strategy.
38. Paragraphs 18-26 set out a high-level summary of homelessness and rough sleeping priorities for the coming two years in the context of learning from review processes, changes to funding and new and forthcoming strategic plans.

Appendices

- Appendix 1 – Temporary Accommodation Analysis - December 2025

Background Papers

- Statutory Homelessness Service Development Plan – Homelessness and Rough Sleeping Subcommittee, 10 July 2025
- Independent Evaluation of City of London Rough Sleeping Services – Homelessness and Rough Sleeping Subcommittee, 1 October 2025
- North East London RSPARG Proposal - Homelessness and Rough Sleeping Subcommittee, 1 October 2025

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