

GM PLANNING AND HOUSING COMMISSION

Date: **5th February 2025**

Subject: Homelessness and Migration Update 2025

Report of: Joe Donohue, Strategic Lead f- Homelessness and Migration

Purpose of Report

This paper provides an update on the current landscape for Homelessness and Migration and planned work for 2025.

Recommendations:

Members are requested to:

1. Note the contents of the report.

Contact Officers

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1. Introduction/Background

1.1 This report seeks to provide the Commission with an update on work being carried out across the Homelessness and Migration programmes in 2025.

1.2 2025 is a pivotal year for Greater Manchester and our responses to homelessness and migration are no exception. This year, we will see:

- A multi-year spending review, which will dictate the funding landscape for homelessness, migration, and other public services over the next few years
- The recommissioning of core regional and local homelessness programmes, including Housing First, A Bed Every Night, Pathfinder etc.
- The final year of the Greater Manchester Homelessness Prevention Strategy and the beginning of the consultation process for the next one.
- The Integrated Settlement under Greater Manchester's Trailblazer Devolution deal, providing additional funding flexibility and autonomy.
- The continued development and delivery of the core missions for Greater Manchester, including Housing First and Live Well.








2. Baseline - Core Homelessness Data

2.1 Homelessness continues to rise across Greater Manchester, with a continued increase in households and children in temporary accommodation, despite encouraging signs of a reduction in bed and breakfast placements.

2.2 This has exerted significant financial pressures on Local Authorities, with research carried out in 2024 identifying an estimated annual spend of £74.6million on renting temporary accommodation across Greater Manchester. Only 48% of these costs can be recovered via the welfare benefits system, placing pressures on wider Local Authority budgets.

2.3 The number of people experiencing street homelessness that Local Authorities are supporting remains at or above pre-pandemic levels and appears to be

increasing year on year (451 people seen sleeping rough across September 2024, compared to 406 people seen in September 2023).

Key metrics		Greater Manchester
Households owed a prevention duty across the quarter ending June 2024 in Greater Manchester:	2,492	 (since the previous quarter)
Households owed a relief duty across the quarter ending June 2024 in Greater Manchester:	3,253	 (since the previous quarter)
Households in temporary accommodation on the last day of June 2024 in Greater Manchester:	5,691	 (since the previous quarter)
Children in temporary accommodation on the last day of June 2024 in Greater Manchester:	7,896	 (since the previous quarter)
Households in B&B accommodation on the last day of June 2024 in Greater Manchester:	808	 (since the previous quarter)
Households in B&B accommodation with children on the last day of June 2024 in Greater Manchester:	366	 (since the previous quarter)
Individuals experiencing rough sleeping on the single night count in September 2024 , across Greater Manchester:	105	 (since the previous month)

3. Funding Settlement for 2025/26

- 3.1 In December 2024, the Government announced a £1 billion funding package for Local Authorities to tackle and prevent homelessness in 2025/26. This provides funding for one year, to provide stability whilst the government prepares for and implements a multi-year funding settlement set to be announced in the Spring Comprehensive Spending Review.
- 3.2 This announcement and the subsequent funding allocations for Greater Manchester provide welcome funding certainty to Local Authorities and their providers, which were otherwise facing a funding cliff edge on 31 March 2025.

Local Authority	HPG	RSPARG	RSAP	RSDATG	EA Pilots	CF	25/26 TOTAL
Bolton	£1,914,869	£235,329	£51,365	£818,310	£0	£0	£3,019,873
Bury	£1,096,351	£167,596	£121,220	£0	£0	£0	£1,385,167
GMCA	£0	£4,927,803	£905,680	£0	£0	£1,219,246	£7,052,729
Manchester	£9,423,527	£3,420,737	£831,022	£1,130,208	£0	£0	£14,805,494
Oldham	£1,583,734	£167,886	£0	£707,083	£210,000	£0	£2,668,703
Rochdale	£1,740,771	£202,319	£271,372	£559,330	£0	£0	£2,773,792
Salford	£2,708,451	£2,183,859	£538,732	£1,054,269	£0	£0	£6,485,311
Stockport	£1,613,775	£157,439	£104,037	£0	£0	£0	£1,875,251
Tameside	£1,563,828	£406,973	£306,302	£0	£0	£0	£2,277,103
Trafford	£1,460,258	£22,200	£73,084	£0	£0	£0	£1,555,542
Wigan	£1,790,748	£734,507	£140,357	£1,042,890	£0	£0	£3,708,502
TOTAL	£24,896,312	£12,626,648	£3,343,171	£5,312,090	£210,000	£1,219,246	£47,607,467

HPG = Homelessness Prevention Grant, RSPARG = Rough Sleeping Prevention & Recovery Grant, RSAP = Rough Sleeping Accommodation Programme, RSDATG = Rough Sleeping Drug & Alcohol Treatment Grant, EA Pilots = Emergency Accommodation Reduction Pilots, CF = Changing Futures.

3.3 Broadly the funding allocations are favourable to Greater Manchester, with the region receiving £47.6million in 2025/26 as a consolidated grant comprising:

- £24.8million Homelessness Prevention Grant
- £12.7million Rough Sleeping Prevention and Recovery Grant which combines the Rough Sleeping Initiative and the Accommodation for Ex-Offenders funding programmes.
- £5.3million Rough Sleeping Drug and Alcohol Treatment Grant in Bolton, Manchester, Oldham, Rochdale, Salford and Wigan.
- £3.3million for the continuation of the Rough Sleeping Accommodation Programme.
- £1.2million Changing Futures funding for GMCA' multiple disadvantage programme.
- £210k to support an Emergency Accommodation Pilot in Oldham

3.4 Whilst the overall budget position is favourable to Greater Manchester in totality, there are nuances within the specific elements of the funding settlement and the context in which Local Authorities and providers find themselves in, which are outlined below.

a) Overall Local Government Finance Position and Pressures

- 3.5 Local Government budgets have faced significant pressure and real-terms reductions in their overall budgets over many years. Whilst the Local Government Finance Settlement is a welcome step towards sustainability, including a commitment to multi-year settlements and an uplift in overall funding and to key budgets like social care and homelessness, this is not sufficient to fully mitigate the continued pressures on Local Authority budgets.
- 3.6 The main cost pressures on Local Authority budgets remain Adult Social Care, Children's Services and Temporary Accommodation. In each of these areas, it is highly likely that demand pressures on Local Authorities will continue to increase and so too will the cost pressures, unless they can be mitigated.
- 3.7 In this context, it is likely that even areas that have seen a significant increase in their homelessness funding will still be required to find savings and efficiencies within their departments, i.e. the funding position is better than expected, but remains a significant challenge.
- 3.8 Compounding this challenge is both continued cost-of-living pressures and changes to employer National Insurance contributions.

b) Prevention funding increased; Rough Sleeping funding frozen.

- 3.9 The most significant and welcome change in the Homelessness funding allocations is the uplifting of Homelessness Prevention Grant, with Greater Manchester Local Authorities seeing a 137% increase in Homelessness Prevention Grant funding and every Local Authority seeing a meaningful increase (not withstanding wider budget pressures described above).
- 3.10 Changes to homelessness prevention grant also signals an intention to 'bake in' a pivot towards prevention in budgets going forward. A minimum 49% of the Homelessness Prevention Grant is ringfenced and must be spent on prevention, relief and staffing activity. Effectively, this means that no more than 51% of the grant can be spent on direct Temporary Accommodation and other costs.

- 3.11 These changes also support a welcome move towards a more holistic homelessness strategy which goes beyond the focus on rough sleeping we have seen in recent years and places greater emphasis family and statutory homelessness.
- 3.12 Rough Sleeping funding (previously under the Rough Sleeping Initiative), on the other hand, has been universally frozen at the same allocation rate as in 2024/25.
- 3.13 This represents a significant real-terms reduction in funding for rough sleeping services, given:
- Rising inflationary costs face by both Local Authorities and their providers.
 - Increasing employer national insurance contributions (which will disproportionately affect smaller organisations).
 - A direction under the previous rough sleeping programme to reduce our ask for funding over 2022-2025, meaning allocations are based on an already reduced budget.

4. Commissioning – Greater Manchester Programmes

- 4.1 Given the limited time available to finalise budgets and commissioning plans for the forthcoming financial year, 2025/26 should be considered a transitional year, in which Local Authorities and GMCA maintain core services and begin developing specifications in preparation for the multi-year settlement.
- 4.2 A range of Greater Manchester-wide homelessness and migration services are commissioned under national homelessness funding allocations, including:
- Housing First
 - A Bed Every Night (partial)
 - Dual Diagnosis Support Service
 - Restricted Eligibility Support Service (partial)
 - Rough Sleeping Accommodation Programme
 - Refugee Welcome Programme – Homelessness Prevention Support

- 4.3 Whilst we have made every effort to extend contracts wherever possible to minimise disruption, 2025 will see GMCA recommissioning the Housing First, Rough Sleeping Accommodation Programme and the Young Person's Homelessness Prevention Pathfinder.
- 4.4 At the same time, the A Bed Every Night Programme is undergoing a comprehensive service review to ensure that the programme continues to achieve its aims and delivers a comprehensive off-the-streets offer for people experiencing street homelessness.

5. Temporary Accommodation

- 5.1 In September 2024, GMCA and our 10 Local Authorities approved an action plan to tackle rising temporary accommodation usage and spend in the region.
- 5.2 The action plan is built on the following core workstreams:
- Enhancing data and insight into TA usage and spend.
 - Enhancing collaboration between Local Authorities to minimise disruption to families and cost to the public purse.
 - Developing opportunities for new supply of temporary accommodation which reduces the use of bed and breakfast.
 - Exploring opportunities to enhance the standards of TA.
 - Co-producing our responses to temporary accommodation with households who have been in temporary accommodation and with officers working in frontline services.
- 5.3 This was complemented by a comprehensive spend analysis project which uncover an estimated minimum spend of £74.6million on the cost of renting temporary housing, with only 48% of this spend being recovered through housing benefit.
- 5.4 Over the course of 2025, we will progress the core elements of this action plan, including:
- Developing our new supply ambitions into concrete proposals, in line with our mission to put Housing First.

- Understanding how we can unlock opportunities to reduce Temporary Accommodation demand through homelessness prevention, building on existing innovation in Housing Options services and realising the opportunities presented by the Live Well mission.

6. Other Relevant Developments in 2025

- 6.1 The multi-year spending review in Spring 2025 will set the funding and legislative agenda for the next few years. In preparation for this, government is currently in a period of furious consultation to prepare for departmental submissions into the spending review, which colleagues from across Greater Manchester are collectively involved in.
- 6.2 MHCLG is currently developing a national Ending Homelessness Strategy, which represents a more comprehensive and holistic overview of housing and homelessness than we have seen in recent years, and aims to develop actions designed to:
- Improve housing affordability and tackling poverty as the biggest driver of homelessness
 - Reforming the system so that councils and wider services work better together to prevent homelessness
 - Providing effective joined-up support for those that are experiencing homelessness or rough sleeping
- 6.3 At the same time, the Home Office is considering its options for the future of the asylum support and accommodation model. The Home Affairs committee has launched an inquiry into the asylum accommodation model and it is likely to influence spending decisions, given the expiry of the existing contracts falls within the next spending review period.
- 6.4 The implementation of the Renters Rights Bill is set to become law this year and will see a significant shake up in the regulation and operation of the private rental sector. This could have positive long-term effects in the prevention of

homelessness and tenancy sustainability. There may, however, be medium term turbulence and unforeseen effects to navigate.

- 6.5 As part of the Housing First mission, GMCA and Local Authority colleagues are developing and delivering initiative which could mitigate some of the impacts of the changing private rental sector, such as the Good Landlord Charter and the Tenancy Relations Pilot, which could play a part in preventing homelessness and enhancing the quality of homes in the sector.
- 6.6 The Supported Housing (Regulatory Oversight) Act is also set to be implemented in the near future, with a consultation expected in early 2025. This will set a national standards framework for supported housing and a requirement for Local Authorities to have a detailed strategy and needs assessment of supported housing in their area and license providers.
- 6.7 This will affect supported housing with a wide scope and is likely to include:
- Homelessness accommodation (which could include A Bed Every Night, some Temporary Accommodation etc.)
 - Housing with Care
 - Supported housing for particular groups e.g. domestic abuse refuges mental health support, people leaving prison etc.
- 6.8 This presents both an opportunity – for a more strategic approach to supported housing and greater scrutiny over standards – and a challenge if inadequately resourced. Meeting this challenge will require a multi-disciplinary approach to understanding and embedding any necessary changes.