

CABINET
TUESDAY, 22 SEPTEMBER 2026

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: ALLOCATION OF MHCLG HOMELESSNESS GRANT

REPORT OF: Director - Regulatory

EXECUTIVE MEMBER: Executive Member - Regulatory

COUNCIL PRIORITY: Accessible services

1. EXECUTIVE SUMMARY
1.1. The Council has received a multi-year funding settlement from the Ministry of Housing, Communities and Local Government (MHCLG), ring-fenced for the purpose of supporting the Council in meeting its homelessness duties. 1.2. This report details proposals for the allocation of some of this funding in line with grant conditions, national policy and local priorities. 1.3. The financial proposals contained in this report cover the full MHCLG funding period – through to March 2029 – to provide stability and continuity of service provision beyond LGR vesting day and to ensure the new Central Hertfordshire unitary authority is not left with an immediate challenge.
2. RECOMMENDATIONS
2.1 That Cabinet approves the funding proposals for the allocation of Homelessness, Rough Sleeping and Domestic Abuse Grant received from the MHCLG as outlined in Table 1 in paragraph 8.13.
3. REASONS FOR RECOMMENDATIONS
3.1. There is a need to secure housing services for homeless households in the district, including key existing services on the single homeless pathway. Adopting the recommendation at 2.1 secures the provision of high-quality local services to help those in need and provides stability into the first year of the new unitary authority. 3.2. The recommendation at 2.1 is consistent with the priorities set out in the Council's Housing Strategy (2024 – 2029) and the Council Plan.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Cabinet could decide against approving the proposed allocations of government funding, however the services highlighted in this report would not be delivered with resulting adverse housing outcomes for households in need.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Regulatory, Cllr Mick Debenham has been consulted and is supportive of the proposals contained in this report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on 19 June 2026.

7. BACKGROUND

- 7.1. The Council has received some form of ring-fenced homelessness funding from the government for over 20 years, usually on an annual basis. There is currently a three-year settlement from the Ministry of Housing, Communities and Local Government (MHCLG) of Homelessness, Rough Sleeping and Domestic Abuse Grant (HRSDAG) totalling £2.9 million over 2026/27 to 2028/29. The Grant is ringfenced for initiatives to tackle homelessness in line with local authorities' legal duties and the government's policy aims which include ending rough sleeping. A detailed report was submitted to Cabinet at its meeting on [16 June 2026](#), setting out specifics of the HRSDAG settlement and the evidenced local need for homelessness support and assistance.
- 7.2. At its June meeting, Cabinet approved funding proposals for a pilot Herts Young Homeless education project in primary schools, building works to increase capacity at One YMCA's homelessness scheme at Anderson House and three years' worth of support funding for the Keystage scheme (PAIRS) at the former Lord Lister, Hitchin. This report sets out further funding proposals for allocation of the majority of the remaining HRSDAG.
- 7.3 Note that the Grant may not be spent on costs directly related to temporary accommodation (with some exceptions, including for provision of supported accommodation). Funding for temporary accommodation has now been separated out from the HRSDAG, to end the tension between councils having to choose between investment in prevention and meeting temporary accommodation costs. Instead, funding for temporary accommodation has been rolled un-ringfenced into the Revenue Support Grant as part of the wider Local Government Settlement and councils will not have a separate named allocation for temporary accommodation.
- 7.4 Following the launch of the Council's current Housing Strategy two years ago, a [review of achievements](#) has recently been produced. This highlights the degree to which our service and its outcomes rely upon strong and positive working relationships with our local partners.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council no longer owns or manages any housing stock, and it therefore works closely with housing providers to meet local needs. Keystage Housing and One YMCA provide specialist accommodation and support as part of the Council's single homeless pathway, providing high quality, self-contained accommodation for single people with complex needs.

- 8.2 The Council has provided both Keystage and One YMCA with MHCLG grant funding over past years to ensure that appropriate support levels on the single homeless pathway could be maintained. With existing funding now expired and following on from the funding agreed for Keystage at June Cabinet, this report contains similar proposals to provide funding over the next three years to One YMCA to ensure that equivalent levels of support can continue to be provided on their part of the pathway, at Anderson House in Hitchin.
- 8.3 One YMCA opened Anderson House in April 2025 and the scheme currently provides 22 units of supported accommodation (plus an additional 24 units for young people funded by MHCLG's Single Homeless Accommodation Programme). As with the Keystage scheme, Anderson House has 24-hour support and provides a safe living environment for individuals with multiple disadvantage, enabling them to receive appropriate support, develop skills and confidence to sustain longer-term housing solutions. Residents typically receive 6-8 hours of individual in-house support per week; One YMCA also work closely with Adult Social Care, health services and other agencies to help individuals access appropriate specialist services such as mental health support. The Council has first right of refusal on vacancies arising in Anderson House and the Housing team works closely with One YMCA to secure the best outcomes for clients.
- 8.4 In its first full year of operation (2025/26), Anderson House has supported 56 individuals, most with multiple support needs. Mental health support needs were most common, reported by 80% of residents whilst 71% of residents had physical health related support needs and 71% required support for substance abuse issues. Of this cohort, 16 individuals so far have been supported to move into settled, independent accommodation including private rented accommodation or social housing. A further 15 have left the service, mostly of their own accord but a few as a result of eviction, custodial sentence or long-term hospital admission. Past experience shows that many individuals with complex needs will unfortunately cycle through available services multiple times before independent resettlement is achieved.
- 8.5 The funding proposal agreed at June Cabinet (a single payment of £81,600) will enable One YMCA to increase physical capacity at Anderson House by a further 17 units. The funding proposed in this report, for three years (2026/27 - 2028/29) totalling £910k will ensure that appropriate levels of 24-hour support can be sustained for residents with medium/complex needs. It is anticipated that Anderson House will begin operating at its new, higher level of capacity – 39 units (excluding the 24 units in the SHAP service) - over the coming months. An additional eight spaces will also be created in two four-bedroom houses on the Anderson House site which will be used as step-down accommodation for residents who are ready for more independent living.
- 8.6 The private rented sector (PRS) only provides around 15% of all housing in North Herts according to the last census however remains a valuable housing option for many of the households who approach the Council for homelessness assistance, all the more so since the enactment of the Renters' Rights Act (2025) (RRA) which has greatly enhanced security of tenure for tenants. Private rental properties are the only option for some of our clients, especially for those who are unable to access social housing (for example due to debt or unspent criminal convictions) and often offers a quicker resolution for some housing challenges. Demand for affordable housing in the District greatly exceeds supply and there are currently just over 2,000 households on the Common Housing Register, and average wait times are over two years (though can be significantly longer dependent on supply, and especially for larger properties).

- 8.7 The Council's Lets4U service works with private landlords to secure PRS properties for our clients and has secured over 100 lets in its first two years. To date, the service has been provided by one dedicated officer, and we have been able to offer small financial incentives to landlords funded via Discretionary Housing Payments and a small Homelessness Prevention Grant (HPG) Fund, alongside Black Squirrel Credit Union loans for those who are able to afford them. This report proposes additional funding of £550k for the HPG Fund over the three-year period to enable the service to expand further (and help more clients into homes), improve the service offered and meet the challenges brought about by the implementation of the RRA which has made landlords much more risk adverse when considering tenants for their properties. The RRA has however exempted local authorities from some of the restrictions around payment of rent in advance which places the Council in a good position to offer better financial incentives in order to secure properties.
- 8.8 The proposed funding will enable the following enhancements to the Lets4U service:
- larger financial incentives to encourage landlords to work with us, with the typical financial packages being in the region of £4k-£5k each. This may take the form of a deposit, a months' rent in advance and one-off incentive payments and will be assessed on a case-by-case basis. The RRA has made landlords much more cautious about who they let their properties to, making attractive financial incentives a central core of the Council's offer going forward. On occasion, other public bodies such other Councils, especially some who are London based, and the Home Office are also competing for available properties and are typically able to offer good incentives;
 - funding of commercial guarantors for clients who wouldn't otherwise have access to a guarantor, an assurance that is increasingly important to landlords as they view a perceived shifting of risk following the RRA;
 - contributions towards moving and start-up costs (e.g. purchase of furniture, appliances) for tenants, to remove what can be a significant barrier to accessing the PRS. Family-sized properties in particular are unlikely to be fully furnished, resulting in high start-up costs for new tenants.
- 8.9 Cabinet at its meeting on [17th February 2026](#) approved funding for a second dedicated private rented sector officer, who is now in post (the amount of funding proposed for the current year is lower as this additional team member only commenced their role in June). This will enable the Lets4U service to work not just with more clients, but also particularly with those with more entrenched needs, or in more complex circumstances. Such cases are typically more time-consuming and expensive to resolve due to the assurances that landlords require in order to let to people they view to be riskier potential tenants. Securing settled accommodation for a client can however be life-changing for individuals as well as freeing up resources such as temporary accommodation for other households in need.
- 8.10 The RRA has completely changed the PRS landscape, and it will take some time yet for changes to be bedded in. The sector is anticipating a fall in properties available to let, with resulting increases in rents. The proposed funding for the Lets4U service makes allowance for this and funding that remains unspent will be recycled into the budget for the following year. This funding may also allow for potential collaborations with

Stevenage Borough Council and/or Welwyn & Hatfield Borough Council as they also have a similar focus on the PRS.

8.11 This report also proposes to extend funding for the following existing specialist services by a further year (into 2028/29). All services are well established and are delivering important services for local people. The proposed extension will maintain continuity and stability through the first year of the new Central Hertfordshire unitary authority, and will ensure it is not left with an immediate challenge:

- domestic abuse advice, support and crisis intervention, provided by Survivors Against Domestic Abuse;
- housing advice service including free legal and court representation, provided by Citizens Advice;
- homelessness education prevention work (secondary schools and sixth form colleges), provided by Herts Young Homeless;
- rough sleeper outreach service, provided by One YMCA.

8.12 All of the above services are currently funded for three years, up until the end of 2027/28, as approved at Cabinet on [11th February 2025](#).

8.13 Table 1 below summarises the funding proposals detailed above, taking account of the HRSDAG that has already been allocated at June Cabinet:

Table 1. Proposals for homelessness grant allocations for 2026/27 onwards

	2026/27	2027/28	2028/29	Total
Total HRSDAG received	£950,409	£959,683	£965,267	£2,875,359
Unallocated HRSDAG following proposals approved at June 26 Cabinet	£616,546	£708,092	£706,128	£2,030,766
Funding proposed in this report:				
Single homeless pathway (One YMCA)	£294,513	£303,348	£312,449	£910,310
Lets4U	£150,000	£200,000	£200,000	£550,000
Survivors Against Domestic Abuse	-	-	£53,737	£53,737
Citizens Advice	-	-	£30,418	£30,418
Herts Young Homeless	-	-	£8,034	£8,034
Rough sleeper outreach (One YMCA)	-	-	£51,271	£51,271
Total proposed funding	£444,513	£503,348	£655,909	£1,603,770
Remaining unallocated funding	£172,033	£204,744	£50,219	£426,996

- 8.14 The MHCLG have stated that local authorities should consider how they might meet unforeseen seasonal homelessness demands, including winter and other surge provision, as there should be no expectation of additional funding in year. As a result, some funding for each of the three years remains unallocated for this purpose as well as other proposals that will be presented to the Cabinet in due course (unless the decision is taken in accordance with delegated decision-making arrangements).
- 8.15 The Council agreed its latest Housing Strategy (2024-2029) in March 2024, and the proposals outlined in this report are consistent with the priorities highlighted in the Strategy.
- 8.16 All of the financial proposals contained in this report cover the full MHCLG funding period – through to March 2029 – to provide stability and continuity of service provision and to ensure the new Central Hertfordshire unitary authority is not left with an immediate challenge. MHCLG has not confirmed the homelessness funding position beyond March 2029 and the existing LGR ‘Housing and Housing Revenue Account’ workstream is reviewing existing services as part of their work plan and the future of these will be considered as part of that wider process.

9. LEGAL IMPLICATIONS

- 9.1. The Housing Act 1985 Section 1 (1) confirms that the District Council is the Local Housing Authority (LHA).
- 9.2 LHAs’ homelessness duties are contained within the Housing Act 1996 Part VII, as amended by the Homelessness Reduction Act 2017 which placed significant new duties on English local housing authorities to prevent homelessness.
- 9.3 LHAs have a legal duty to provide interim (also known as emergency) accommodation to homeless applicants, if, at any point during their enquiries, there is a reason to believe that an applicant may be:
- homeless
 - eligible for assistance, and
 - in priority need
- 9.4 The LHA also holds the ‘Relief Duty’ which applies when a council is satisfied that an applicant is homeless and eligible for assistance; it requires the Council to take reasonable steps to help the applicant secure that suitable accommodation becomes available for the applicant’s occupation for at least six months. This therefore requires the Council to work with the applicant to help them find and retain accommodation to meet this legal duty.
- 9.5 The Cabinet’s Terms of Reference provides at paragraph 5.7.15; “To oversee the provision of all the Council’s services other than those functions reserved to the Council”.
- 9.6 In approving the funding proposals the Cabinet would therefore be acting in accordance with its statutory requirements and in accordance with the Council’s constitution.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council has been notified of total allocations of £2,875,359 in Homelessness, Rough Sleeping and Domestic Abuse Grant, covering the three-year period 2026/27 – 2028/29. Grant is ring-fenced to support delivery of services to prevent and tackle homelessness including amongst those sleeping rough and survivors of domestic abuse.
- 10.2 The proposals contained in this report meet the MHCLG's grant conditions and should the proposals be agreed, grant payments will be made at appropriate intervals throughout the financial year that balance the need to ensure prompt payments to service providers, whilst also protecting the Council's interests.
- 10.3 In accordance with the Subsidy Control Act 2022, the Council has considered whether each award constitutes a "subsidy" using the four-limb test (public resources; economic advantage to an enterprise engaged in economic activity; specificity; and a more-than-incidental potential effect on competition/investment). On that basis, this funding is not considered a subsidy as the services provided are not available in the commercial sector.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 Affordable accommodation remains extremely challenging to source in North Herts. The One YMCA scheme forms a fundamental part of the Council's single homeless pathway and without funding to support its ongoing operation, the pathway will have significantly reduced capacity to accommodate our most vulnerable clients. The private rented sector is another source of accommodation for our clients and the proposals contained within this report aim to maximise the potential offered by this sector, without which accommodation options are reduced, with knock-on effects for move-on from temporary accommodation and ongoing reliance on hotel placements.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. An Equality Impact Assessment has been completed and is attached as Appendix 1. The assessment notes the potential positive impacts this decision will have for some of the most vulnerable members of the community in North Hertfordshire.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report; however, the proposals contribute to social value by providing community benefits that would otherwise not be realised.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to the proposals in this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 None.

16. APPENDICES

- 16.1 Appendix 1 – Equality Impact Assessment

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 [MHCLG's Homelessness, Rough Sleeping and Domestic Abuse Grant Determination 2026 to 2027](#)