

# Allocations of Homelessness Prevention Grant Exceptional Winter 2021 Top-up: technical note

## 1. Homelessness Prevention Grant

The £310m Homelessness Prevention Grant in 2021-22 combined and uplifted what was previously the Flexible Homelessness Support Grant (FHSG) and Homelessness Reduction Grant (HRG). For the second half of 2021-22 we have topped up this funding stream by £65m.

This document provides a technical description of how we calculated the allocations for the £65m top-up to the Homelessness Prevention Grant. We consider the allocations for the top-up in two stages. The first stage considers the allocation of the value of grants awarded in 2020-21, which was £263m. The second stage considers the allocation of the £47m additional funding made available in 2021-22 prior to this new top-up.

To allocate the £65m top-up, we have replicated the two-stage process set out in the 'Allocation of Homelessness Prevention Grant 2021-22: technical note' to calculate the relative share allocated to each individual authority, and rescaled the funding allocated to individual local authorities based on the quantum of the £65m top-up. This technical note can be found here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/946052/HPG\\_allocations\\_technical\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946052/HPG_allocations_technical_document.pdf)

Allocations for West Northamptonshire and North Northamptonshire are calculated as the sum of what would have been allocated for their constituent parts (West Northamptonshire = Daventry District, Northampton, and South Northants; North Northamptonshire = Wellingborough, Kettering, Corby, and East Northants).

## 2. Replicating the process: Initial £263m

The first £263m is allocated in the same way as the combined FHSG and HRG allocations in 2020/21. These can be found here:

<https://www.gov.uk/government/publications/flexible-homelessness-support-grant-and-homelessness-reduction-grant-2020-to-2021>

### *Missing data*

For the newly formed councils, the allocations are the sum of the local authorities merged to form the councils<sup>1</sup>.

## 3. Replicating the process: £47m previous top-up

### a. First 80%

The first 80% of the £47m funding uplift is allocated to reflect relative homelessness pressures. We derive a relative estimate of pressures using the following elements:

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<sup>1</sup> Buckinghamshire = Aylesbury, Chiltern, Wycombe and South Bucks; North Northamptonshire = Corby, East Northants, Kettering, Wellingborough; West Northamptonshire = Daventry, Northampton, South Northants

- A: The number of housing benefit claimants at December 2019. We expect this to reflect the relative number of households becoming homeless. This is the sum of private and social rented sector housing benefit claimants and households on universal credit with a housing entitlement in the private and social rented sector. This information can be found on DWP stat xPlore.
- B: Lower quartile monthly private rented sector rents for two-bedroom properties 2019/20. This reflects the relative costs of prevention in terms of securing accommodation for homeless households. This is available from table 2.4 here: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland>
- C: Area cost adjustment, as used in allocating COVID-19 related funding to lower-tier authorities. This reflects the relative costs of prevention in terms of staff time. More detail is available at annex B here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/928337/Technical\\_Note\\_October2020Allocations.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928337/Technical_Note_October2020Allocations.pdf) Data is available here: <https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>

The relative pressure is calculated using the following formula:

$$Pressure = A * (B + C * 8 \text{ hours} * \text{£}15 \text{ per hour})$$

The allocation share for each local authority (i) is derived as the proportion of the total pressure in each local authority:

$$share_i = \frac{pressure_i}{\sum_i^n pressure_i}$$

#### Missing data

##### Variable A

We do not have a total number of housing benefit claimants for newly formed councils. We estimate the total using the values for the local authorities merged to form the councils<sup>2</sup>.

##### Variable B

We do not have rent data for the following local authorities: Buckinghamshire Council; North Northamptonshire; West Northamptonshire; Bournemouth, Christchurch and Poole; West Suffolk; Somerset West and Taunton; East Suffolk; Dorset.

We estimate rents in these local authorities using a weighted average of rents across the local authorities that merged to create them<sup>3</sup>. For these areas the weights are based on the total number of homelessness prevention and relief duties owed in 2018/19. This data is available here:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

<sup>2</sup> Buckinghamshire = Aylesbury, Chiltern, Wycombe and South Bucks; North Northamptonshire = Corby, East Northants, Kettering, Wellingborough; West Northamptonshire = Daventry, Northampton, South Northants

<sup>3</sup> Buckinghamshire = Aylesbury, Chiltern, Wycombe and South Bucks; North Northamptonshire = Corby, East Northants, Kettering, Wellingborough; West Northamptonshire = Daventry, Northampton, South Northants; Bournemouth, Christchurch and Poole = Bournemouth, Christchurch and Poole; West Suffolk = Forest Heath and St Edmundsbury; Somerset West and Taunton = Somerset West and Taunton; East Suffolk = Suffolk Coastal and Waveney; Dorset = East Dorset, North Dorset, Purbeck, West Dorset and Weymouth and Portland

## Variable C

We do not have data on an area cost adjustment for Isles of Scilly. We use the area cost adjustment for Cornwall as a proxy.

### b. Final 20%

The remaining 20% of the £47m funding is allocated based on single homelessness pressures. This is calculated as the total single adult households owed a prevention or a relief duty in 2019/20.

This is available here:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

Shares are calculated as the proportion of all single adult households owed a duty in each authority.

### *Missing data*

Where there is missing data in the published tables, we estimate local authority shares using the share of the first 80%, but reduce this share by 25% to ensure that local authorities do not gain (relative to 75% of local authorities) as a result of missing data. We then rescale all shares to ensure the total across all local authorities adds to 100%.

## 4. Rescaling to £65m new top-up

The two-stage process outlined above provides relative shares for each individual local authority of the £310m Homelessness Prevention Grant allocated in 2021-22. To calculate the funding allocations for each local authority of the £65m top-up, we use the local authority shares estimated for the £310m and rescale based on the quantum of the £65m top-up (multiplying the relative share by 65/310).

This ensures that local authority allocations reflect the range of relative homelessness pressures outlined in previous technical notes. These technical notes can be found here:

<https://www.gov.uk/government/publications/homelessness-prevention-grant-2021-to-2022> and <https://www.gov.uk/government/publications/flexible-homelessness-support-grant-and-homelessness-reduction-grant-2020-to-2021>