

Explanatory note on Funding Simplification: consolidated grants and draft conditions

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1. Simplifying the local government funding landscape

- 1.1. In the current fragmented funding system, local authorities receive billions of pounds from grants outside the Settlement. They are often uncertain, announced after local authorities have set their budgets, and associated with burdensome conditions and reporting requirements. Together, this makes it difficult for authorities to plan ahead and forces them to rely on short-term fixes instead of long-term priorities.
- 1.2. By simplifying the funding landscape, and giving authorities greater certainty and flexibility, local leaders, who know their communities best, can have the confidence to invest in service reform and deliver local priorities. This explanatory note sets out in detail how the government is simplifying local government funding from 2026-27. Annex A provides a summary table of the funding streams and how they are being simplified.
- 1.3. Last year, at the [2025-26 Settlement](#), the government consolidated almost £700 million revenue funding as a key first step in simplifying the local government funding landscape. This included consolidating:
 - four grants into the 2025-26 Revenue Support Grant, totalling £66.1 million;
 - the 2025-26 Domestic Abuse Safe Accommodation grant as a separate line in the Settlement worth £160 million; and
 - six children's social care programmes into a 2025-26 Children and Families Grant, totalling £414 million.
- 1.4. In June this year, the [Fair Funding Review 2.0](#) set out our ambitions to go further for 2026-27 and deliver the biggest programme of revenue funding simplification to date. It outlined proposals to create four large consolidated grants that bring together funding for similar service areas, as well as roll funding into Revenue Support Grant wherever possible. The government also set out our proposed principles for the scope of revenue funding simplification. We said that to be considered for inclusion in a consolidated grant, grants must be ongoing, stable, and awarded to the majority of local authorities. To be rolled into Revenue Support Grant our proposal was that a grant should generally be paid to all local authorities or, depending on the service, to all upper tier or all lower tier authorities. These proposals received strong support, with 65% of respondents agreeing to the approach we consulted on.
- 1.5. At the [provisional 2026-27 Settlement](#) in December 2025, the government detailed how it would deliver our commitment to make this Settlement a landmark moment for funding simplification, by simplifying an unprecedented 36 revenue funding streams worth over £56 billion over the three years (2026-27 to 2028-29) of the multi-year Settlement. At the [final Settlement](#), we're pleased to announce this has increased to 38 funding streams worth almost £57 billion over the three years. This will be delivered by:
 - creating four new consolidated grants from 2026-27, worth nearly £22 billion over the three years of the multi-year Settlement:
 - The **Homelessness, Rough Sleeping and Domestic Abuse Grant** that consolidates five funding streams;
 - The **Children, Families and Youth Grant** that consolidates five funding streams, including the 2025-26 Children and Families Grant;
 - The **Public Health Grant** that brings together four funding streams with the existing Public Health Grant; and
 - The **Crisis and Resilience Fund** that consolidates two funding streams.

- rolling 18 funding streams into the 2026-27 **Revenue Support Grant**, worth nearly £35 billion over the three years of the multi-year Settlement.
- bringing all prior business rates under indexation compensation funding, worth £9.7 billion over three years into the 2026-27 **Revenue Support Grant**.
- Bringing together funding for Mayoral Strategic Authorities into the **Mayoral Capacity Fund** worth £139 million across the three years of the multi-year Settlement. The [explanatory note on Mayoral Strategic Authority funding](#) provides further detail.

1.6. This ambitious package of funding simplification will give local authorities more certainty of their income than they have had in over a decade. Authorities will receive fewer grants, each of a larger value, and have more flexibility around how they are spent. This will reduce administrative burdens, and support the delivery of key outcomes that meet local needs.

1.7. Full provisional local authority allocations for each of the consolidated grants from 2026-27 to 2028-29 can be found in these [allocations tables](#). Final local authority multi-year allocations for each of the consolidated grants will be published by Friday 13 February. The government consulted on the Revenue Support Grant proposals between December 2025 and January 2026, and has published a [response](#).

1.8. This explanatory note was first published at the provisional Settlement in December 2025. To align with the [final Settlement](#), the following updates have been made: details of increased funding within the Homelessness, Rough Sleeping and Domestic Abuse grant; funding arrangements for Isles of Scilly; more details on Core Spending Power; and the link to the public health circular that includes the conditions for the public health grant. A full change log is at Annex F.

Grant conditions for consolidated grants

1.9. In creating the four new consolidated grants, the government has sought to streamline grant conditions to reduce burdensome requirements for local authorities where possible. The conditions for the Public Health Grant have been published in the [public health ring-fenced grant financial year 2026/27:public health circular](#). Recognising that local authorities have already begun their budget-setting processes, the annexes to this note include the 2026-27 draft conditions for the three remaining grants to provide early certainty, although they may be subject to change ahead of the publication of the grant determination letters in April 2026. To note, conditions are indicative only for 2027-28 and 2028-29, and local authorities should be aware that they may necessarily change in response to circumstances.

Next steps for funding simplification

1.10. As set out in the [local government finance policy statement](#), the government will continue to identify funding to simplify or align with the Settlement, in addition to the Fire Pensions and Uplift Protection grants already identified for future simplification. As part of this, we will work towards bringing together relevant grants into a consolidated local transport resource grant in the Settlement from 2027/28. Further details on this will be announced in due course.

1.11. The government is also considering how the simplification of capital funding could improve efficiency and efficacy of local public investment.

Historic data considerations

1.12. Historic grant allocations data has been compiled and verified on a best-efforts basis to ensure all funding new to the Settlement is accurately reflected in our Core Spending Power figures.

1.13. Further detail on data considerations associated with specific grants is provided in the relevant sections of this note.

Core Spending Power

1.14. To ensure alignment of existing Settlement funding already in Core Spending Power, the following will be brought into Core Spending Power:

- All funding for children's social care reform in the Children, Families and Youth Grant will be in Core Spending Power. Given the Children's Social Care Prevention Grant introduced in 2025/26 was in Core Spending Power, this decision ensures alignment across relevant funding.
- All funding in the Homelessness, Rough Sleeping and Domestic Abuse Grant will be in Core Spending Power. Given the Domestic Abuse Safe Accommodation Grant has been in Core Spending Power since 2025/26 and the temporary accommodation funding, which is rolled into the Revenue Support Grant, will be in Core Spending Power from 2026/27, this decision ensures alignment across relevant funding.

1.15. Including historic data into Core Spending Power is technically challenging. To limit the risk of error, for this year the following will remain outside the Core Spending Power measure: the Public Health Grant, Crisis and Resilience Fund and non-Families First Partnership funding in the Children Families and Youth Grant. In future years, the government will explore options to include all funding delivered through the Settlement in one measure.

2. Homelessness, Rough Sleeping and Domestic Abuse Grant

- 2.1. The Homelessness, Rough Sleeping and Domestic Abuse Grant will bring together the following funding streams into a single consolidated grant. Since the provisional Settlement was published the value of the grant has increased and will now be worth a total of over £2.7 billion over the three years of the multi-year Settlement. All funding will be in Core Spending Power.
 - a. The Prevention, Relief and Staffing element of the Homelessness Prevention Grant (HPG), worth over £1.1 billion. This includes a £45 million uplift on provisional allocations to increase capacity for local authorities to deliver prevention activity.
 - b. Rough Sleeping Prevention and Recovery Grant (RSPARG) and Rough Sleeping Accommodation Programme (RSAP) funding, worth £879 million
 - c. Renters' Rights Act new burdens worth £49.7 million, . This is additional funding that is being consolidated into this grant. This is to cover the additional costs for homelessness services stemming from the Renters Rights Act
 - d. The Domestic Abuse Safe Accommodation Grant, worth £499 million. To note, the provisional multi-year Settlement allocations for the Domestic Abuse Safe Accommodation Duty were based on flat cash value of £480m. The final Settlement includes the £19m uplift that the government announced on Monday 15 December 2025.
 - e. Targeted funding for supported housing support services, to selected local areas, worth £159 million. This is additional funding that has been consolidated since the provisional Settlement.
- 2.2. This ringfenced grant will support local authorities to deliver homelessness and rough sleeping services, as well as meeting their domestic abuse duties, and for selected local authorities provide additional housing-related support in supported housing accommodation. By integrating these grants, local authorities will have greater flexibility to deliver joined-up services according to local need, prevent homelessness and rough sleeping, and ensure support in safe accommodation for victims of domestic abuse and their children. For homelessness and rough sleeping, as set out in our recent strategy, A National Plan to End Homelessness, central and local government should take the opportunity to think differently about how to maximise resources to support people, moving towards a system that prioritises prevention and provides holistic support to people based on assessment of need. The Domestic Abuse funding enables local authorities to fulfil their statutory duties and commission vital support in safe accommodation for those who need to flee their homes. The targeted funding for supported housing is to support the delivery and commissioning and to increase the supply of good quality housing-related support services in supported housing, with a primary focus on single homelessness prevention and relief, and preventing and reducing rough sleeping.
- 2.3. The Ministry of Housing, Communities and Local Government (MHCLG) will pay this grant to local authorities in 12 monthly payments. Provisional local authority allocations for 2026-27 to 2028-29 can be found in these allocations tables. Final local authority multi-year allocations for each of the consolidated grants will be published by Friday 13 February.
- 2.4. MHCLG has published [guidance](#) on Homelessness and Rough Sleeping elements of this grant (including the targeted funding for supported housing services element) to provide further detail on purpose of the grant and reporting requirements. Local authorities must have regard to the statutory guidance on the delivery of the Domestic Abuse Safe Accommodation duty available [here](#).

Distribution and methodology

2.5. Four different formulas have been used to distribute the funding in the Homelessness, Rough Sleeping and Domestic Abuse Grant:

- The **Prevention, Relief and Staffing** element of the former Homelessness Prevention Grant and the **Renters' Rights Act new burdens** will be distributed using the **Prevention, Relief and Staffing** formula. The government consulted on this in early 2025, with the [response](#) published in June. This formula uses the number of Housing Benefit or Universal Credit claimants and the number of duties owed to working households to measure demand, and average 2-bed private-rented sector rents combined with a Labour Cost Adjustment to measure cost.
- The **Rough Sleeping** funding, which includes the Rough Sleeping Prevention & Recovery Grant (RSPARG) and the Rough Sleeping Accommodation Programme (RSAP), will be distributed using a **Single Homelessness and Rough Sleeping** formula. This was developed with a targeted group of local authorities and independent experts. It uses data on single Housing Benefit or Universal Credit claimants, single people leaving public sector institutions who present as homeless, and MHCLG's rough sleeping management information to measure demand. One-bed private-rented sector mean rents and the Labour Cost Adjustment have been used to measure cost.
- The **Domestic Abuse Accommodation** funding will be distributed using the same approach as in 2025-26, using the formula [consulted](#) on in late 2020. This has been updated to incorporate the most recent available data, including population figures, the Index of Multiple Deprivation (IMD), and the 2026 Area Cost Adjustment.
- Targeted funding for **supported housing support services** will be distributed to selected local authorities, identified as the top 40 local authorities in terms of need using the Single Homelessness and Rough Sleeping formula. For local authorities within a Mayoral region with an agreement for the Mayoral Strategic Authority to set the strategic direction of the Social and Affordable Homes Programme (SAHP) in their area, funding is (where needed aggregated and) allocated to the relevant Mayoral Strategic Authority. In this case, this funding will also form part of their Integrated Settlement as part of the Health, Wellbeing and Public Service Reform pillar.

2.6. Transitional arrangements for the homelessness and rough sleeping elements of the Homelessness, Rough Sleeping and Domestic Abuse Grant mean authorities do not lose funding in 2026-27 compared to their baselined allocation in 2025-26. Losses are capped at 5% in 2027-28, and 15% in 2028-29, compared to 2025-26 baselined allocations. Further information on the distribution, including how baseline allocations have been calculated, is included in supporting guidance for this grant that has been shared with local authorities.

Mayoral Strategic Authorities

2.7. The [explanatory note on Mayoral Strategic Authority funding](#) provides details on Homelessness, Rough Sleeping and Domestic Abuse Grant funding for Mayoral Strategic Authorities. That note has been updated to include changes made between provisional and final Settlement.

Separate funding arrangements for the Isles of Scilly

2.8. Due to its small population and comparatively low level of funding, allocations for the Isles of Scilly within the Homelessness, Rough Sleeping and Domestic Abuse Grant, the Children,

Families and Youth grant, and the Crisis and Resilience Fund will be paid out as a single combined, unringfenced Section 31 grant. This will help simplify funding arrangements for the Isles of Scilly and enable the authority to deliver funding more efficiently. While the grant will not formally have conditions because it is unringfenced, the government will work with the authority to enable the funding to be used in line with the objectives of the three consolidated grants.

Historic data considerations

- 2.9. Numerous grants have been given out to local authorities in recent years linked to homelessness and rough sleeping. In order to provide, as far as possible, a direct comparison with predecessor grants, we have limited the historic data to specific funding streams, for which data caveats apply. See the [Core Spending Power table](#) for more information on the approach taken to collate data for each predecessor grant.
- 2.10. Mayoral Strategic Authorities received funding for RSPARG and RSAP in 2024-25 and 2025-26. The Core Spending Power table does not include these figures due to operational issues. This will be amended in due course.

Draft grant conditions

- 2.11. This grant is ringfenced and MHCLG will publish the Grant Determination Letter in April 2026. Recognising that local authorities have already begun their budget-setting processes, the government is providing early certainty by sharing the draft conditions. Annex B contains the draft conditions for local authorities, and Annex C contains the conditions for Mayoral Strategic Authorities. These may be subject to change ahead of publication of the Grant Determination Letter.

3. Children, Families and Youth Grant

3.1. The Children, Families and Youth grant will bring together the following five funding streams into a single consolidated grant, and will be worth £3.1 billion over the three years of the multi-year Settlement.

- Funding for the Families First Partnership programme worth over £2.4 billion. This funding will be in Core Spending Power, consisting of:
 - The Children's Social Care Prevention Grant, worth £809 million;
 - Families First Partnership programme funding (previously Supporting Families) within the Children and Families Grant, worth £760 million; and
 - New funding worth £866 million. This includes £319 million from the Transformation Fund announced at the Spending Review and £547 million confirmed in the Policy Statement.
- The Holiday, Activities and Food Grant (HAF), worth over £623 million. This includes funding worth £12.9 million for the 2026-27 financial year to support local authority capacity on school-age childcare during school term-time and holidays. This funding is not included in Core Spending Power.
- The Pupil Premium Plus Post-16 Grant, worth £41.5 million. This funding is not included in Core Spending Power.

3.2. This ringfenced grant is designed to strengthen local authority support for children and families across England, reducing inequalities and breaking down barriers to opportunity. It underpins key national reforms to children's social care through the Families First Partnership programme, will help support children and young people from low-income families receive enriching activities and nutritious meals through the school holidays, support access to childcare during term time and the holidays, and improve outcomes for post-16 looked-after children and care leavers.

3.3. MHCLG will pay this grant to local authorities. Provisional local authority allocations for 2026-27 to 2028-29 can be found in these allocations tables. Final local authority multi-year allocations for each of the consolidated grants will be published by Friday 13 February.

3.4. Local authorities will be expected to use this funding to deliver the following programmes in line with relevant guidance issued by the Department for Education (DfE):

- Families First Partnership Programme: [Families First Partnership programme](#)
- Holidays, Activities and Food programme: DfE will publish Holidays, Activities and Food guidance and Local Authority Capacity Support Funding guidance alongside the provisional Settlement for 2026-27. [School age childcare guidance for local authorities](#).
- Pupil Premium Plus Post-16: [Promoting the education of looked-after and previously looked-after children](#)

Distribution and methodology

3.5 For the multi-year Settlement, the government is proposing to distribute funding for the Families First Partnership programme via the final version of the Children and Young People's Services (CYPS) relative needs formula and an area cost adjustment to account for variation in the cost of delivering services. This formula was consulted on as part of the [Fair Funding Review 2.0](#) and will support the shift towards prevention-focused services by targeting resources at areas with higher predicted need.

- 3.6 The Holiday, Activities and Food funding will maintain its existing distribution based on the proportion of England's Free School Meal (FSM)-eligible pupils attending schools in their area for the duration of the multi-year Settlement. The distribution of local authority capacity funding is based on the proportion of England's school-age children attending schools in their area, and the levels of FSM-eligibility.
- 3.7 Pupil Premium Plus Post-16 funding will maintain its 2025-26 distribution methodology for the duration of the multi-year Settlement.

Separate funding arrangements for the Isles of Scilly

- 3.8 Due to its small population and comparatively low level of funding, allocations for the Isles of Scilly within the Homelessness, Rough Sleeping and Domestic Abuse Grant, the Children, Families and Youth grant, and the Crisis and Resilience Fund will be paid out as a single combined, unringfenced Section 31 grant. This will help simplify funding arrangements for the Isles of Scilly and enable the council to deliver funding more efficiently. While the grant will not formally have conditions because it is unringfenced, the government will work with the authority to enable the funding to be used in line with the objectives of the three consolidated grants.

Draft grant conditions

- 3.9 This grant is ringfenced and MHCLG will publish the Grant Determination Letter in April 2026. Recognising that local authorities have already begun their budget-setting processes, the government is providing early certainty by sharing the draft conditions for this grant in Annex D. These may be subject to change ahead of publication of the Grant Determination Letter.

4. Public Health Grant

- 4.1. From April 2026, funding from the following will be consolidated into the Public Health Grant (PH Grant), and will be worth £13.45 billion over the three years of the multi-year Settlement. This funding will not be in Core Spending Power.
 - Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG), worth £1 billion. This includes the Rough Sleeping Drug and Alcohol Treatment grant, which will continue to fund existing local authorities receiving this funding component, with a modest expansion to a small number of additional local authorities with high levels of need.
 - Individual Placement and Support Grant (IPSG), worth £67.3 million.
 - Local Stop Smoking Services and Support Grant (LSSSSG), worth £210 million.
 - Swap to Stop scheme, worth £50 million.
- 4.2. This grant will continue to be ringfenced for use on public health functions. £461 million is ringfenced for smoking cessation and £3.4 billion for drugs and alcohol treatment. The Department for Health and Social Care (DHSC) will continue to pay the consolidated PH Grant.
- 4.3. DHSC has published the annual [Public health ring-fenced grant financial year 2026 to 2027:local authority circular](#), on 9 February. This confirms final allocations for financial year 2026-27, provisional allocations for 2027-28 and 2028-29, the conditions that will apply to the grant, and guidance intended to assist local authorities. Multi-year PH Grant allocations will also be set out in the consolidated grants table published by Friday 13 February.

Distribution and methodology

- 4.4. In line with the aim to protect current service levels as far as possible, the core PH Grant¹ distribution approach will continue as in previous years, with an equal annual percentage uplift. The supervised toothbrushing funding will be distributed as a minimum flat rate of £15K per local authority, and remaining funding for this service distributed based on the number of 3 to 5 year-olds living in the 20% most deprived areas in England.
- 4.5. The ringfenced smoking cessation funding total within the new consolidated grant comprises the existing spend on stop smoking services from the current PH Grant, supplementary Stop Smoking Services funding from the LSSSSG and funding for the Swap to Stop scheme.
 - Existing spend on stop smoking services within the PH Grant is calculated using the amounts that local authorities reported spending on these services as set out in the 2025-26 LSSSSG grant agreements.
 - Supplementary stop smoking services funding will be allocated on a needs-based approach, using local smoking prevalence in adults over a three-year range (2022-2024).
- 4.6. The ringfenced drug and alcohol funding total within the new consolidated grant comprises the existing PH Grant spend on drug and alcohol treatment, and the supplementary drug and alcohol funding (Drug and Alcohol Treatment and Recovery Improvement Grant which includes the Rough Sleeping Drug and Alcohol Treatment, Housing Support, funding for Inpatient Detoxification, and the Individual Placement and Support grant).

¹ The core Public Health Grant is defined as the Public Health Grant before the consolidation of additional drug /alcohol and smoking cessation funding.

- Existing spend on drug and alcohol services within the PH Grant is calculated based on local authority-reported PH Grant expenditure for these services, confirmed as part of a baselining exercise with local authority Directors of Public Health over Summer 2025.
- Supplementary drug and alcohol treatment funding will be distributed on a formula basis taking account of current numbers in treatment, deprivation, prevalence and other relevant factors.

Separate funding arrangements for the ten Greater Manchester local authorities

4.7. The ten Greater Manchester local authorities will continue to receive a nominal PH Grant allocation through their Business Rates Retention (BRR) arrangement. Each of the ten Greater Manchester local authorities will also receive a single ringfenced Section 31 Grant for the supplementary drug and alcohol and stop smoking services funding that is being consolidated into the PH Grant (DATRIG, IPSG, LSSSASG and Swap to Stop scheme) which will be administered by DHSC. The notional PH Grant allocations for these authorities are set out in the provisional allocations [tables](#). Final local authority multi-year allocations for each of the consolidated grants will be published by Friday 13 February, which reflects the amount of grant funding that they will receive through their BRR arrangement.

Grant conditions

4.8. The grant is ringfenced and the final conditions have been published by DHSC in the [Public health ring-fenced grant financial year 2026 to 2027:local authority circular](#). The draft conditions published in the previous version of this explanatory note have been removed..

4.9. Local authorities are responsible for establishing robust arrangements to ensure they comply with PH Grant conditions. Each year the local authority Section 151 Officer and Director of Public Health must confirm that the grant has been spent in line with the grant conditions, via the year-end statement of assurance letter. DHSC is responsible for obtaining assurance that the grant has been spent in line with the associated conditions, including appropriate reporting of spend.

5. Crisis and Resilience Fund

- 5.1. The Crisis and Resilience Fund (CRF) will bring together the following funding streams into a single consolidated grant, and will total £2.5 billion over the three years of the multi-year Settlement. This funding will not be in Core Spending Power.
 - Household Support Fund; and
 - Discretionary Housing Payments (in England).
- 5.2. This ringfenced grant will support local authorities in England to provide preventative support to communities and assist people when faced with financial crisis. The objective of this fund is both to provide a safety net for those on low incomes who encounter a financial shock, and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term.
- 5.3. MHCLG will pay this grant to local authorities. Provisional local authority allocations for 2026-27 to 2028-29 can be found in these allocations tables. Final local authority multi-year allocations for each of the consolidated grants will be published by Friday 13 February.
- 5.4. The Department for Work and Pensions has published [Crisis and Resilience Fund Guidance for local authorities in England](#), including Management Information (MI) reporting requirements.

Distribution and methodology

- 5.5. Crisis and Resilience Fund allocations are calculated by combining several formulae. The core allocations use a formula based on population size and deprivation levels. This ensures funding is distributed fairly and transparently, targeting areas where need is greatest.
- 5.6. Allocations for the Housing Payment strand of the CRF in Years 1 and 2 mirror Discretionary Housing Payment allocations for 2025-26. In Year 3 of the CRF, allocations for the Housing Payment strand have been updated based on the latest available administrative data from September 2025 on shortfalls and deductions due to the Benefit Cap, Local Housing Allowance and Removal of the Spare Room subsidy. This ensures that funding is available to those facing the most acute housing need.
- 5.7. Within these allocations, we are also accounting for the specific needs of rural communities by retaining a 'rural pot' to support those living in the most rural local authorities, where alternative housing supply may be more limited.
- 5.8. Allocation figures for the Crisis and Resilience Fund have been revised to include an updated version of the Index of Multiple Deprivation (IMD). Allocations published at the provisional Settlement were calculated based on a version of the IMD which was constructed using an erroneous geography file supplied by the Office for National Statistics. The error related to the LSOA E01027305 (West Northamptonshire 048E) being allocated to the wrong Local Authority District. More information is available online here: [English indices of deprivation 2025](#). As Crisis and Resilience Fund allocations are based on relative needs, many Local Authority allocations have changed. However, for the vast majority of areas, the impact is minimal.

Separate funding arrangements for the Isles of Scilly

- 5.9. Due to its small population and comparatively low level of funding, allocations for the Isles of Scilly within the Homelessness, Rough Sleeping and Domestic Abuse Grant, the Children, Families and Youth grant, and the Crisis and Resilience Fund will be paid out as a single combined, unringfenced Section 31 grant. This will help simplify funding arrangements for the Isles of Scilly and enable the council to deliver funding more efficiently. While the grant will

not formally have conditions because it is unringfenced, the government will work with the authority to enable the funding to be used in line with the objectives of the three consolidated grants.

Draft grant conditions

5.10. This grant is ringfenced and MHCLG will publish the Grant Determination Letter in April 2026. Recognising that local authorities have already begun their budget-setting processes, the government is providing early certainty by sharing the draft conditions for this grant for 2026-27 in Annex E. These may be subject to change ahead of publication of the Grant Determination Letter.

6. Consolidating into the Revenue Support Grant

- 6.1. The government will roll 18 funding streams into the RSG, worth nearly £35 billion over the three years of the multi-year Settlement. Where applicable, historic Core Spending Power (CSP) will be restated for rolled in grants to provide a reasonable year on year comparison of CSP. Historic grant allocations data has been compiled and verified on a best-efforts basis to ensure all funding new to the Settlement is accurately reflected in our Core Spending Power figures.
- 6.2. In 2026-27, the value of the 18 funding streams consolidated into RSG will be £11.66 billion.² The government consulted on this as part of the [provisional Settlement](#). The consolidation of funding streams will be delivered in the following three ways, with 2026-27 figures set out below. More information on fair funding shares and transitional arrangements is in chapter 2 and 3 of the consultation.
 - Consolidating two funding streams new to the Settlement keeping the existing distributions. This is the case only where funding is distributed in a way that reflects unique pressures not felt in all authorities, and so its purpose cannot reasonably be achieved within the 2028-29 fair funding shares. This funding will therefore not be in scope of phasing in but will be protected in the transitional baseline for funding floors. The allocations and total value of these grants will be fixed in each year of the multi-year Settlement. Local authority allocations for these grants are set out in the [2026-27 Key Information Table](#). The Key Information Table does not include local authority allocations for areas with business rates retention arrangements. Full local authority allocations and total grant values can be found in the [supplementary table for LAs in increased Business Rates Retention arrangements](#).
 - Social Care in Prisons (£11 million); and
 - War Pensions Disregard (£12 million).
 - Consolidating nine funding streams that are new to the Settlement into the 2025-26 legacy funding shares, which will gradually be phased into the 2028-29 fair funding shares. These funding streams will be included in the income baseline for transitional arrangements. The [Fair Funding Assessment Allocation calculator](#) will set out individual local authority 2025-26 allocations for each of these funding streams. For years 2026-27 to 2028-29, these funding streams will be part of RSG in the calculator and will therefore not be visible individually. The [Core Spending Power table](#) will present these nine grants within 'Grants rolled in to Revenue Support Grant' in 2024-25 and 2025-26, which also includes the two grants listed above, and as part of the Fair Funding Allocation from 2026-27.
 - Temporary accommodation funding (£323 million), previously part of the Homelessness Prevention Grant. The Fair Funding Assessment includes a temporary accommodation formula to reflect this change;
 - Virtual School Head for Children with a Social Worker and Children in Kinship Care (£20.4 million);
 - Biodiversity Net Gain Planning Requirement (£9.7 million);
 - Deprivation of Liberty Safeguards Funding (£5.2 million);

² The Local Authority Better Care Grant (£2.64 billion) will also be consolidated into the 2025-26 legacy funding shares (see section 2.6 of the consultation). As set out in paragraph 2.6.2 of the consultation, the LABCG will continue to be paid out as a separate Section 31 grant and will therefore be excluded from our grant consolidation totals.

- Local Government Finance Data Review (<£1 million);
- Enforcement of Location Volume Price Promotions Restrictions (<£1 million);
- Enforcement of OOH Calorie Labelling Regulations (<£100,000);
- Awaab's Law New Burdens grant (<£100,000); and
- Social Housing New Burden grant (<£100,000).
- Consolidating seven funding streams that are already within the Settlement into the 2025-26 legacy funding shares, which will also be gradually phased in to the 2028-29 fair funding shares.³ These funding streams will be included in the income baseline for transitional arrangements. The [Fair Funding Assessment Allocation calculator](#) will set out the same information as the funding streams above. The [Core Spending Power table](#) will present these seven grants within the 'Legacy Funding Assessment' in 2024-25 and 2025-26 and as part of the Fair Funding Allocation from 2026-27.
 - Social Care Grant (£5.9 billion);
 - Historic business rates grant compensation for under-indexation of tax rates; Green Plant and Machinery exemptions; and Small Business Rates Relief lost supplementary income (£3.23 billion);
 - Market Sustainability and Improvement Fund (£1.05 billion);
 - Employer National Insurance Contributions (£502 million);
 - New Homes Bonus (£290.5 million);
 - 2025-26 Funding Floor (£121.2 million); and
 - Funding from the following grants (treated as one funding stream in our totals) brought together into the Children and Families Grant in 2025-26 (worth £253 million):
 - Supported Accommodation Reforms (£94.5 million);
 - Staying Put (£33.3 million);
 - Virtual School Heads Extension for previously looked after children (£7.6 million);
 - Leaving Care Allowance uplift (£13.4 million); and
 - Personal Advisors Extended Duty (£12.1 million).

³ The exact value of the funding streams rolled in will reflect the GLA's bespoke arrangement in recognition of its unique service responsibilities and funding arrangements

Annex A – Funding Simplification Explanatory Tables

- The government is simplifying the local government funding landscape through four primary mechanisms:
 - Bringing together the Levelling Up Fund, Town Deals, and the Pathfinder Pilots into a single Local Regeneration Fund as the first step to simplify capital funding.
 - Bringing together revenue funding into four high-value consolidated grants.
 - Consolidating revenue funding directly into the Revenue Support Grant (RSG).
 - Bringing together revenue funding for Mayoral Strategic Authorities (MSAs) into the Mayoral Capacity Fund. The [explanatory note on Mayoral Strategic Authority funding 2026 to 2027](#) provides further detail.
- The following tables set out how revenue funding is being simplified over the three years of the multi-year Settlement. Some revenue funding is being delivered through the Settlement for the first time, while some is existing Settlement funding which we are taking the opportunity to rationalise. The tables provide a breakdown of each funding stream; how they are being consolidated; whether they are new or existing Settlement funding; and whether they are in Core Spending Power (CSP).
- All figures below are over the multi-year Settlement (2026-27 to 2028-29), expressed in billions and have been rounded to two decimal places.⁴

SUMMARY

Total of 18 funding streams simplified into four high-value consolidated grants	£21.77bn
14 funding streams <u>new</u> to the Settlement	£18.83bn
3 existing Settlement funding streams	£2.07bn
New funding for children's social care reform from 2026-27	£0.87bn
Total of 18 funding streams consolidated into the Revenue Support Grant	£34.99bn
11 funding streams <u>new</u> to the Settlement	£1.15bn
7 <u>existing</u> Settlement funding streams	£33.84bn
Total of 2 funding streams simplified into the Mayoral Capacity Fund	£0.14bn
1 funding stream <u>new</u> to the Settlement	£0.1bn
1 <u>existing</u> Settlement funding stream	£0.04bn
Grand total of 38 simplified funding streams	£56.89bn
26 funding streams <u>new</u> to the Settlement	£20.08bn
11 <u>existing</u> Settlement funding streams	£35.95bn
New funding for children's social care reform from 2026-27	£0.87bn

⁴ The exact value of the funding streams rolled in will reflect the GLA's bespoke arrangement in recognition of its unique service responsibilities and funding arrangements.

CONSOLIDATED GRANTS

Funding stream		New to the Settlement?	In Core Spending Power?	Value over the multi-year Settlement (2026-27 to 2028-29)	Total values over the multi-year Settlement (2026-27 to 2028-29)
1	Children's Social Care Prevention Grant	No – Settlement grant in 2025-26	Yes	£0.81bn	Children, Families and Youth Grant £3.1bn
2	Supporting Families	No – part of the Children and Families Grant in 2025-26	Yes	£0.76bn	
3	Holiday Activities and Food Programme	Yes – consolidation announced at the 2026-27 local government finance policy statement	No	£0.62bn	
4	Post-16 Pupil Premium Plus Programme	2026-27 local government finance policy statement		£0.04bn	
5	New funding for children's social care reform	Yes – funding announced at SR	Yes	£0.32bn	
		Yes – funding announced at the 2026-27 local government finance policy statement		£0.55bn	
6	Household Support Fund	Yes – consolidation announced at the 2026-27 local government finance policy statement	No	£2.49bn	Crisis and Resilience Fund £2.49bn
7	Discretionary Housing Payments	2026-27 local government finance policy statement			
8	Prevention and Relief element of the former Homelessness Prevention Grant	Yes – consolidation announced at the 2026-27 local government finance policy statement	Yes	£1.13bn	Homelessness, Rough Sleeping and Domestic Abuse Grant £2.72bn
9	Rough Sleeping Accommodation Programme	2026-27 local government finance policy statement		£0.88bn	
10	Rough Sleeping Prevention & Recovery Grant				

11	Supported Housing Services	Yes – consolidation announced at the 2026-27 final Settlement		£0.16bn	Public Health Grant £13.45bn
12	Renters' Rights Act Homelessness New Burdens Funding	Yes – consolidation announced at the 2026-27 final Settlement		£0.05bn	
13	Domestic Abuse Accommodation Support	No - Settlement grant in 2025-26		£0.5bn	
14	Public Health Grant	Yes – consolidation announced at the 2026-27 local government finance policy statement	No	£12.08bn	
15	Drug and Alcohol Treatment and Recovery Improvement Grant			£1.05bn	
16	Local Stop Smoking Services and Support Grant			£0.2bn	
17	Individual Placement and Support Grant			£0.07bn	
18	Swap to Stop programme			£0.05bn	

Total of 18 funding streams simplified into four high-value consolidated grants	£21.77bn
<u>14</u> funding streams <u>new</u> to the Settlement	£18.83bn
<u>3</u> existing Settlement funding streams	£2.07bn
New funding for children's social care reform	£0.87bn

REVENUE SUPPORT GRANT (RSG) CONSOLIDATION

Please note that all grants consolidated into RSG are included in Core Spending Power (CSP)

Funding stream		New to the Settlement?	Value over the multi-year Settlement (2026-27 to 2028-29)
Funding streams <u>new</u> to the Settlement, <u>redistributed</u> using the new Fair Funding Assessment			
19	Temporary Accommodation element of the former Homelessness Prevention Grant	Yes – consolidation announced at the <u>2026-27 local government finance policy statement</u>	£0.97bn
20	Virtual School Heads for children with a social worker and children in kinship care		£0.06bn
21	Biodiversity Net Gain Planning Requirement		£0.03bn
22	Local Reform and Community Voices: Deprivation of Liberty Safeguards Funding		£0.02bn
23	LGF Data Review		£<0.01bn
24	Enforcement of Location and Volume Price Promotions Restrictions		£<£0.01bn
25	Enforcement of OOH Calorie Labelling Regulations		£<£0.01bn
26	Awaab's Law new burdens		£<£0.01bn
27	Social Housing new burdens		£<£0.01bn
			Total: £1.1bn

Funding stream	New to the Settlement?	Value over the multi-year Settlement (2026-27 to 2028-29)
<u>Funding streams new to the Settlement, keeping existing distributions</u>		
28 War Pensions Disregard grant	Yes – consolidation announced at the 2026-27 local government finance policy statement	£0.04bn
29 Social Care in Prisons grant		£0.03bn
		Total: £0.07bn
<u>Existing Settlement funding streams, redistributed using the new Fair Funding Assessment</u>		
30 Social Care Grant		£17.77bn
31 ⁵ Historic business rates grant compensation for under-indexation of tax rates	<i>No - Settlement grants in 2025-26 For illustrative purposes only. Values over the multi-year Settlement assumes that in 2025-26 funding would have, without simplification, been held flat and continued to be paid out as a separate grant.</i>	£9.7bn
Green Plant and Machinery business rates exemptions reducing locally retained business rates		
Small Business Rates Relief lost supplementary business rates income compensation		
32 Market Sustainability and Improvement Fund		£3.15bn
33 Employer National Insurance Contributions (<i>local authority portion</i>)		£1.51bn
34 New Homes Bonus ⁶		£0.87bn
35 Funding floor 2025/2026		£0.36bn
36 Supported Accommodation Reforms new burdens	No - part of the Children and	£0.28bn

Staying Put	<i>In our totals, these are counted as a single funding stream.</i>	£0.10bn
Leaving Care Allowance uplift		£0.04bn
Personal Advisors Extended Duty		£0.04bn
Virtual School Heads (VSH)_Extension of the VSH role to previously looked after children		£0.02bn
		Total: £33.84bn

Total of 18 funding streams consolidated into the Revenue Support Grant	£34.99bn
11 funding streams <u>new</u> to the Settlement	£1.15bn
7 <u>existing</u> Settlement funding streams	£33.84bn

MAYORAL CAPACITY FUND

Please note that the Mayoral Capacity Fund is included in Core Spending Power (CSP).

Funding stream		New to the Settlement?	In Core Spending Power?	Value over the multi-year Settlement (2026-27 to 2028-29)	Total values over the multi-year Settlement (2026-27 to 2028-29)
37	Mayoral Capacity Fund	Yes	Yes	£0.1bn	Mayoral Capacity Fund £0.14bn
38	Employer National Insurance Contributions Grant (<i>Combined Authority portion</i>)	No – announced as part of the 2025-26 Settlement	Yes	£0.04bn	

Total of 2 funding streams simplified into the Mayoral Capacity Fund	£0.14bn
1 funding stream new to the Settlement	£0.1bn
1 existing Settlement funding stream	£0.04bn

⁵ Other business rates grant funding in connection with the business rates system will continue to be paid out following data collection exercises which local government complete twice annually.

⁶ New Homes Bonus allocations fluctuated each year to reflect local authority housebuilding. The quantum in this table is illustrative only.

Annex B – Draft conditions for Homelessness, Rough Sleeping and Domestic Abuse Grant for local authorities

DEFINITIONS

1. In this determination:
 - a. MHCLG means the Ministry of Housing, Communities and Local Government
 - b. Homelessness, Rough Sleeping and Domestic Abuse Grant means the ringfenced grant, which is consolidating the following funding streams from financial year 2025-26:
 - i. The prevention, relief and staffing element of the Homelessness Prevention Grant (HPG)
 - ii. The Rough Sleeping Prevention and Recovery Grant (RSPARG)
 - iii. The Rough Sleeping Accommodation Programme (RSAP)
 - iv. The Domestic Abuse Safe Accommodation Grant (DASA)
- And also includes funding from 2026-27 for:
 - v. The Renters' Rights Act new burdens
 - vi. Targeted funding for supported housing support services
- c. 'Grant recipient' means local, mayoral strategic and unitary authorities in receipt of funding.
- d. 'Tier 1 local authorities' means Mayoral Strategic Authorities, county and unitary councils (other than London Boroughs), and the Greater London Authority.
- e. 'Tier 2 local authorities' means district, borough and city councils and London Boroughs.
- f. 'Grant funding' means the amounts set out in the provisional local government finance settlement under the Homelessness, Rough Sleeping and Domestic Abuse Grant.
- g. 'Funding period' means the period commencing on 1st April 2026 and ending on 31st March 2027.

GRANT CONDITIONS

2. Pursuant to section 31 of the Local Government Act 2003, grant paid to local authorities under this determination may be used only for the purposes outlined in paragraph 5 – 8 for the 2026-27 funding period. Paragraphs 9 – 27 set out how and when local authorities must report on delivery to MHCLG against the grant conditions.
3. Failure to comply with the grant conditions set out in paragraph 5 – 27 may result in the department taking further action and a requirement for grant to be repaid to the department, or future payments being reduced, suspended or withheld. Please see paragraphs 28 – 30 on compliance for further information.

4. The Homelessness, Rough Sleeping Domestic Abuse Grant is made up of three core functions: Homelessness and Rough Sleeping, Domestic Abuse Safe Accommodation and targeted funding for supported housing support services. The following paragraphs have been split out into these sections.

Homelessness and Rough Sleeping

5. This funding is flexible for local authorities to determine the most effective services and support, driven by local need, to get local areas back on track to ending homelessness. The purpose of this grant is to support local authorities in England to:

- a. **Discharge their duties under the Housing Act 1996, as set out in the Homelessness Code of Guidance for local authorities, and provide support for rough sleeping.** This includes costs towards prevention, relief and main duty activities and staffing – except for costs directly related to temporary accommodation (see [paragraph 5d](#)). Funding is expected to deliver support to all individuals who are facing homelessness – including single homeless households in non-priority need and delivering rough sleeping services that are driven by assessment of an individual's support needs.
- b. **Deliver against local homelessness strategies and the metrics** in the Local Outcomes Framework, as set out in A National Plan to End Homelessness, the Cross-Government Homelessness and Rough Sleeping Strategy, which are:
 - I. Number of households with children in temporary accommodation
 - II. Number of families in B&B over 6 weeks
 - III. Percentage of duties owed where homelessness was prevented or relieved
 - IV. Percentage of duties owed where homelessness was prevented or relieved for those with 3 or more support needs
 - V. Number of people sleeping rough on a single night
 - VI. Number of people sleeping rough over the month who are long-term
- c. **Focus on early intervention and maximising prevention activities.** This includes working with landlords to support households retain private rented tenancies and reduce reliance upon temporary accommodation - particularly reducing the use of unsuitable B&Bs for families. Maximising prevention also includes effective engagement and collaboration with voluntary, community and frontline sector partners including faith organisations, and ensuring that support is driven by assessment of the needs of individuals.
- d. **This grant may not be spent on costs directly related to temporary accommodation,** which may include (noting the exceptions):
 - I. Actual (net) temporary accommodation costs
 - II. Temporary accommodation rent
 - III. Temporary accommodation subsidy loss
 - IV. Payment of bad debt related to temporary accommodation
 - V. Maintenance costs of temporary accommodation (Maintenance is routine and should be factored into the cost of temporary accommodation. It is different to investment to improve quality of life for people in temporary accommodation. See bullet XI under exceptions in the next paragraph)

- VI. Payment of arrears of temporary accommodation
- VII. Incentive payments towards temporary accommodation
- VIII. Any upfront costs of temporary accommodation – deposits or rent in advance costs.

The exceptions to paragraph 5d above are:

- IX. Where temporary accommodation **has already been provided** through **Section 189B or Section 190(2)** of the Housing Act 1996 (providing a decision has been made on the duty owed), this grant can be used to continue to provide temporary accommodation **for a period of a year** from 1 April 2026 to 31 March 2027.
- X. Local authorities may use this fund to **provide supported housing / supported accommodation, Housing First and housing-led models** as part of a designated housing pathway.
- XI. Costs of temporary accommodation **improvement and inspection of standards.**

Domestic Abuse

6. **The purpose of this funding is to support local authorities in meeting their statutory duties under Part 4 of the Domestic Abuse Act 2021**, relating to the provision of support for all victims of domestic abuse including their children, within 'relevant' accommodation (as defined by the [Domestic Abuse Support \(Relevant Accommodation and Housing Benefit and Universal Credit Sanctuary Schemes\) \(Amendment\) Regulations 2021](#)). We expect local authorities to use the Domestic Abuse line of their provisional allocations in the local government finance settlement to fund these services.

- a. Local authorities **must have regard to the statutory guidance** issued to support the implementation of the duty when commissioning services, including seeking to ensure that support is delivered by knowledgeable and/or experienced specialist providers, charities, and other voluntary organisations whose purpose is to support victims of domestic abuse.
- b. The grant only covers revenue expenditure relating to the functions set out in Part 4 of the Act on Tier 1 local authorities relating to the provision of accommodation-based support to victims of domestic abuse and their children residing in safe accommodation and on Tier 2 local authorities to co-operate with Tier 1 local authorities as far as reasonably practicable.
- c. Where it has been agreed to delegate commissioning decisions to Tier 2 local authorities, Tier 1 local authorities should ensure adequate funding is passed to Tier 2 local authorities.

Targeted funding for supported housing support services

7. The purpose of this funding is to support selected local authorities and MSAs in funding the delivery and commissioning and to increase the supply of good quality housing-related support services in supported housing, with a primary focus on single homelessness prevention and relief and preventing and reducing rough sleeping, but with flexibility to support other vulnerable groups in supported housing including disabled and older people in longer term housing. All authorities in receipt of this specific funding are encouraged to use it to unlock the delivery of supported housing through the Social and Affordable Homes Programme where feasible – though to ensure delivery, we are allowing flexibility to

commission support services in existing accommodation schemes and to support the viability of existing stock to avoid decommissioning and disposal of vital good quality services.

8. **This funding is to fund support services and may not be spent on accommodation or accommodation services (including housing management costs), such as the costs indicated below:.**

- a. Actual (net) accommodation costs or accommodation-related service charges
- b. rent
- c. intensive housing management costs in supported housing
- d. supported accommodation subsidy loss
- e. Payment of bad debt related to supported accommodation
- f. Maintenance costs of supported accommodation (Maintenance is routine and should be factored into the cost of accommodation. It is different to investment to improve quality of life for people in supported accommodation).
- g. Payment of arrears of supported accommodation
- h. Incentive payments towards supported accommodation
- i. Any upfront costs of supported accommodation – deposits or rent in advance costs.

LOCAL AUTHORITY REPORTING REQUIREMENTS

9. As a condition of funding, grant recipients must engage with MHCLG and submit all required data on the Homelessness, Rough Sleeping and Domestic Abuse Grant during the funding period. These returns must be comprehensive, accurate, publishable and submitted within stated deadlines. The supporting guidance has further information on publication dates and how to submit returns.
10. MHCLG will measure local authority delivery via the Local Outcomes Framework. Local authorities do not need to report separately on these framework metrics, as this information is captured in H-CLIC and Rough Sleeping Management Information data collection.

Local Authority Spend Declaration

11. The Chief Executive or the authority's Section 151 Officer of each of the recipient payment authorities are required to sign an **end of year declaration** of spend and return this to MHCLG for each financial year of the grant.
12. This should certify that to the best of their knowledge and belief, and having carried out appropriate investigations and checks, the amounts on the statement relate to the eligible expenditure and that the grant(s) have been used for the purposes intended, as set out in this determination.
13. Detail of what the spend declaration should cover will be published in 2026. This will include information related to staffing, accommodation (including temporary accommodation exemptions), prevention and relief activity and domestic abuse. Further information on each area of spend is detailed in the supporting guidance.

14. The Section 151 Officer or equivalent of each of the recipient authorities are required to sign and return to: HomelessnessandRoughSleepingFinanceTeam@communities.gov.uk in the Homelessness and Rough Sleeping Directorate of the Ministry of Housing, Communities and Local Government, a declaration, to be received no later than 9th April 2027 in the following terms: *"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Homelessness, Rough Sleeping and Domestic Abuse Grant have been complied with".*

Homelessness and Rough Sleeping Action Plans

15. As a condition of this funding, **local authorities must have an action plan** in line with paragraph 2.11 of the Homelessness Code of Guidance which must be **published** (except where specified below or in guidance) **by Autumn 2026**, and **regularly updated**. This action plan should comply with relevant guidance and include, at a minimum:

- 15.1 **targets** which, taking into account local context, will improve performance against each of the homelessness and rough sleeping metrics in the Local Outcomes Framework, and a description of how the local authority, working with partners, will achieve these targets.
- 15.2 **local governance structures** that hold authorities and partners accountable for delivering the plan.
- 15.3 **how they will work in partnership** across their local areas to manage homelessness and rough sleeping pressures to shift from crisis response to a culture rooted in prevention.
- 15.4 **reference to specific plans** for the following metrics in the Local Outcomes Framework where appropriate:
 - a. **B&B use for families** – where the published data shows a local authority has five or more families in B&B (bed and breakfast) accommodation for longer than 6 weeks, the local authority must produce and agree a B&B elimination plan. As it will contain sensitive information, this plan does not need to be published.
 - b. **Long-term rough sleeping** – areas with high levels of long-term rough sleeping, based on total numbers and/or proportions of total people sleeping rough, must produce and agree a Long-Term Rough Sleeping Partnership Plan. MHCLG advisers will be in contact with those areas that this applies to. The guidance document sets out further detail on these plans, including requirements for collaboration with partners.
- 15.5 **policy for ensuring suitability of temporary accommodation, following an assessment, including procuring sufficient units of temporary accommodation and allocating them**, which reflects:
 - a. The authority's statutory duties, including to safeguard and promote the welfare of children under the Children Act 2004, and the factors which will be taken into account in offering accommodation within the authority, close to the authority or further away, pursuant to *Nzolameso v City of Westminster*.
 - b. the action it will take to mitigate disruption of support and essential services where relevant, and to ensure temporary accommodation is always suitable.

Homelessness Case Level Information Collection (H-CLIC) Data Collection

16. Local authorities must submit a quarterly H-CLIC return. These returns must be comprehensive, accurate, publishable and submitted within stated deadlines.

Rough Sleeping Data

17. Local authorities must submit regular rough sleeping management information. Local authorities must also complete an annual verified snapshot every autumn. Rough sleeping data returns must be comprehensive, accurate, publishable and submitted within stated deadlines.

Homelessness and Rough Sleeping Adviser Engagement

18. Throughout the reporting period, local authorities **must work collaboratively with their MHCLG homelessness and rough sleeping advisers** to ensure delivery of successful outcomes defined in under 'purpose of the grant'. Further detail can be found in the accompanying guidance.

Domestic Abuse Management Information

19. Tier 1 authorities must report back to MHCLG on the exercise of their functions in Part 4 as laid out in [section 59 \(2\) of the Domestic Abuse Support \(Local Authority Strategies and Annual Reports\) Regulations 2021](#).
20. Tier 1 authorities will need to complete and submit an annual report as soon as reasonably practicable after the end of each financial year to MHCLG via Delta. MHCLG would expect this to be within 3 months following the end of the financial year and therefore expect reports to be submitted by 30 June.
21. The information provided as part of these reports will need to demonstrate how local authorities have executed the functions required under the duty. The data and information currently collected by MHCLG is divided into two parts.
22. Part 1 focuses on financial and governance information, including:
 - a detailed breakdown on the local authority's spending on safe accommodation services from the Domestic Abuse grant, and other sources.
 - confirmation that a Local Partnership Board has been established, including details of their memberships and meeting frequency
 - evidence that a needs assessment have been undertaken and updated
 - evidence that a local strategy is in place and working effectively. Authorities will need to demonstrate that strategies were published on time and detail how the approaches set out has supported victims accessing services within their area, through the data provided in Part 2.
23. Part 2 focuses on monitoring and outcomes, assessing whether local commissioning decisions have been informed by local needs assessments and strategies. In doing so tier 1 authorities will need to provide data to on number of victims supported, the number of bedspaces available, number of victims unable to access support and other relevant service delivery metrics.

24. Where appropriate, tier 2 authorities should cooperate with tier 1 authorities in the completion of the reporting template

Targeted funding for supported housing support services reporting

25. Relevant selected authorities in receipt of this funding will need annually to complete and submit a short report as soon as reasonably practicable after the end of each financial year to MHCLG. MHCLG would expect this to be submitted ideally by 30 June.
26. The data and information submitted to MHCLG should include the following:
 - A detailed breakdown on the authority's spending on supported housing support services funded specifically through this grant and the number of individuals (full year equivalent) supported. Data on the number of individuals supported should include a break-down by cohort.
 - Evidence that the spending aligned with any local strategic needs assessment and any local supported housing strategy, including any administrative or geographical cross-boundary coordination or cooperation including at a sub-regional or regional level.
27. Where appropriate, authorities should cooperate in the completion of reporting.

COMPLIANCE

28. If the recipient authority fails to comply with any of these conditions the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the recipient authority. If any overpayment is made under this grant, or any amount is paid in error, or any unspent funding is not returned, the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of those grant monies paid, and will notify the recipient in writing. Such sum as has been notified will immediately become repayable to the Secretary of State who may offset the sum against any future amount due to the recipient authority from central government.
29. Local authorities will be notified in writing by the department where they are judged to be in breach of the grant conditions and/ or reporting requirements. Notifications will be sent formally in writing by MHCLG officials or, where necessary, from the relevant Minister. Failure to comply or demonstrate improvement following formal notification may result in action taken as set out in paragraph 23. For example, as per the Homelessness Prevention Grant conditions in 25-26, failure to comply with the condition to submit H-CLIC may result in a recovery of up to 10% of in-year funding.
30. Where an authority continually fails to demonstrate steps taken to meet the conditions set out in Annex A, this failure may be reported to MHCLG officials responsible for assessing compliance with the Best Value Duty under section 15 of the 1999 Local Government Act to consider if non-compliance is reflective of wider concerns about a council's leadership, governance and culture..

Annex C – Draft conditions for Homelessness, Rough Sleeping and Domestic Abuse Grant for Mayoral Strategic Authorities

DEFINITIONS

1. In this determination:
 - a. MHCLG means the Ministry of Housing, Communities and Local Government
 - b. Homelessness, Rough Sleeping and Domestic Abuse Grant means the ringfenced grant, which is consolidating the following previous funding streams from financial year 2025-26:
 - i. The Prevention, Relief and Staffing element of the Homelessness Prevention Grant (HPG)
 - ii. The Rough Sleeping Prevention and Recovery Grant (RSPARG)
 - iii. The Rough Sleeping Accommodation Programme (RSAP)
 - iv. The Domestic Abuse Safe Accommodation Grant (DASA)
 - c. 'Grant recipient' means mayoral strategic authorities who are grant recipients of the Homelessness, Rough Sleeping and Domestic Abuse Grant and do not receive an Integrated Settlement. These MSAs are: Cambridgeshire and Peterborough Combined Authority, East Midlands Combined County Authority, Greater Lincolnshire Combined Authority, Hull & East Yorkshire Combined Authority, Tees Valley Combined Authority, West of England Combined Authority, and York and North Yorkshire Combined Authority.
 - d. 'Grant funding' means the amounts set out in the provisional local government finance settlement under the Homelessness, Rough Sleeping and Domestic Abuse Grant.
 - e. 'Funding period' means the period commencing on 1st April 2026 and ending on 31st March 2027.

GRANT CONDITIONS

2. Pursuant to section 31 of the Local Government Act 2003, grant paid to mayoral strategic authorities under this determination may be used for the purposes outlined in paragraph 4 only, for the 2026-27 funding period.
3. Failure to comply with the grant conditions and reporting requirements may result in the department taking further action and a requirement for grant payments to be repaid to the department, or future payments being reduced, suspended or withheld. Please see paragraphs 10 – 12 on compliance for further information.
4. Unlike local authorities, mayoral strategic authorities do not have statutory responsibilities to deliver homelessness and rough sleeping services. Mayoral strategic authorities must use the grant for the purposes of the below **only**:

- a. **Setting the regional ambition** on homelessness, in partnership with local authorities, and developing regional structures to deliver these ambitions.
- b. **Encouraging a preventative approach** to homelessness and rough sleeping.
- c. **Convening homelessness and rough sleeping partners**, including in the voluntary, community and faith sectors, to strengthen services across the region.
- d. **Delivering, as appropriate, region-specific interventions** that will enhance the statutory work of local authorities and relevant public sector partners with regard to homelessness and rough sleeping.

5. **A separate guidance document accompanies this grant determination letter** to provide greater detail on how funding can be spent to prevent homelessness and reduce rough sleeping. Mayoral strategic authorities should consider the guidance document and engage with their MHCLG homelessness and rough sleeping advisers when designing and delivering services.

REPORTING REQUIREMENTS

- 6. In Mayoral Strategic Authorities without an Integrated Settlement, the Chief Executive or the local authority's Section 151 Officer or Mayoral Strategic Authority's Section 73 Officer of the recipient payment authority is required to sign an **end of year declaration** of spend and return this to MHCLG for each financial year of the grant. This may include an optional mid-year spend declaration issued by the Department. For Mayoral Strategic Authorities, with an Integrated Settlement, the reporting through the Integrated Settlement Outcomes Framework will serve as the spend declarations.
- 7. The Section 73 Officer or equivalent of each of the recipient authorities are required to sign and return to: HomelessnessandRoughSleepingFinanceTeam@communities.gov.uk in the Homelessness and Rough Sleeping Directorate of the Ministry of Housing, Communities and Local Government, a declaration, to be received no later than 9th April 2027 in the following terms: *"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Homelessness, Rough Sleeping and Domestic Abuse Grant have been complied with".*
- 8. Mayoral Strategic Authorities without an Integrated Settlement must publish by **Autumn 2026** and regularly update a **high-level action plan** setting out how the funding will be used to meet the purpose of the grant over the multi-year Settlement. For those Mayoral Strategic Authorities with an Integrated Settlement, there is no need for an action plan, as their work will be set out through the Integrated Settlement Outcomes Framework.
- 9. Throughout the reporting period, Mayoral Strategic Authorities **must work collaboratively with their MHCLG homelessness and rough sleeping advisers** to ensure delivery of the purposes defined in paragraph 4. Further detail can be found in the accompanying funding guidance.

COMPLIANCE

- 10. If the Mayoral Strategic Authority fails to comply with any of these conditions, or if any overpayment is made under this grant, or any amount is paid in error, or any unspent funding

is not returned, the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the recipient authority. Such sum as has been notified will immediately become repayable to the Secretary of State who may offset the sum against any future amount due to the recipient authority from central government.

11. **Mayoral Strategic Authorities will be notified in writing by the department where they are judged to be in breach of the grant conditions and/ or reporting requirements.**
Notifications will be sent formally in writing by MHCLG officials or, where necessary, from the relevant Minister. Failure to comply or demonstrate improvement following formal notification may result in action taken as set out in paragraph 10.
12. Where an authority continually fails to demonstrate steps taken to meet the conditions set out in Annex A, **this failure may be reported to MHCLG officials responsible for assessing compliance with the Best Value Duty** under section 15 of the 1999 Local Government Act to consider if non-compliance is reflective of wider concerns about a council's leadership, governance and culture.

Annex D – Draft conditions for Children, Families and Youth Grant

PURPOSE OF THE GRANT

1. This grant consists of:
 - a. **Families First Partnership programme** (£853.1 million) funding ringfenced for direct investment into the national implementation of Family Help, multi-agency child protection teams and family group decision-making reforms.
 - b. **Holiday, Activities and Food programme** (£213.9 million) funding, which includes £12.9 million to strengthen local authority capacity for school-age childcare during school term-time and holidays. Holidays, Activities and Food (HAF) programme funding is ringfenced for local authorities to make free places at holiday clubs available in the Easter 2026, Summer 2026 and Christmas 2026 holidays to children in their local authority who meet the eligibility as set out in HAF programme guidance. Local authorities are also expected to use part of this funding to ensure sufficient, sustainable school-age childcare.
 - c. **Pupil Premium Plus Post-16** (£13.8 million) funding to support grant recipients in implementing the role of the Virtual School Head for post-16 looked-after children and care leavers. Grant recipients should use funding to improve outcomes for post-16 looked-after children and care leavers in line with [statutory guidance](#) for Virtual School Heads.

GRANT CONDITIONS

FAMILIES FIRST PARTNERSHIP

Use of the Funding

2. The Families First Partnership (FFP) programme funding is ringfenced for direct investment into the national implementation of Family Help, multi-agency child protection teams and family group decision-making reforms. This will support local authorities to rebalance spending away from accommodating children in care and increase spend on prevention, creating a virtuous circle and moving funding to a more sustainable footing.
3. New investment into FFP is not designed to displace existing prevention funding (such as targeted early help and child in need services and any other non-statutory spending). FFP funding must be used alongside existing prevention spend to provide additional investment. Department for Education (DfE) will monitor this through asking grant recipients to provide additional spend data through the quarterly FFP monitoring returns to ensure existing prevention spend is not displaced, and that overall spend is starting to rebalance the system.
4. Adherence to the FFP grant conditions and prioritising prevention is crucial to local government sustainability. Where government becomes aware that an authority is not adhering to FFP grant conditions, MHCLG and DfE will facilitate engagement with that authority to obtain assurance. Where there is evidence that failure to adhere to grant conditions has had a negative impact on children's services, and that this is a result of systemic weakness in leadership, governance and culture, MHCLG will consider whether there has been a failure to meet the Best Value duty. DfE may also engage with authorities through its improvement and interventions programme.

5. The FFP programme aligns with the government's vision for transformation across children's social care (CSC) and is expected to realise the four outcomes of the Children's Social Care National Framework:
 - Outcome 1: children, young people and families stay together and get the help they need
 - Outcome 2: children and young people are supported by their family network
 - Outcome 3: children and young people are safe in and outside of their homes
 - Outcome 4: children in care and care leavers have stable, loving homes
6. Effective prevention through Family Help, multi-agency child protection teams and family group decision-making reforms will be fundamental to reducing the number of children entering care and increasing the number of children living safely with their families. Where care is needed, family networks should be further drawn in, to consider how they can offer practical short term or longer term support, through informal arrangements or through more formal kinship routes. Beyond that every effort should be made to place a child in a family setting through effective use of foster care, using residential only in exceptional cases when it is deemed to offer the most appropriate support for the child. Local authorities should consider how to use their fostering offer as part of their broader prevention working, including through new approaches. The expected reduction in residential placements through focused prevention and improved use of kinship and fostering, will generate better outcomes and further savings for reinvestment.
7. FFP funding is intended to support local areas to build on local planning undertaken in year one of the programme (2025-26) to fund remaining transformation activity. However, DfE expects the majority of the grant to fund delivery of new and updated services, as set out in local delivery plans, using the best available evidence including [Practice Guides](#).
8. Together with safeguarding partners, all grant recipients will complete remaining transformation activity and begin or continue delivery of new services in 2026-27 (year two of the programme) with the expectation of fully operational services by March 2027 across all localities, ahead of year three.
9. Grant recipients should apply funding to continue to deliver services that meet the policy principles set out in the FFP programme guide and are delivered in line with relevant statutory guidance, including Working Together to Safeguard Children and the National Framework, to:
 - **Strengthen their Family Help offer** in collaboration with safeguarding partners, by bringing together local services under a combined, multi-disciplinary practice team and seamless offer. This means ensuring join up between the non-statutory (targeted early help) and statutory components of Family Help (Section 17 of Children Act 1989) to wrap support around the family at the earliest opportunity, streamline re-assessment points and ensure consistency of relationships by establishing the role of the Family Help Lead Practitioner. Priority must be given to offering help that is well evidenced to achieve change for families using Practice Guides where they exist.
 - **Work with safeguarding partners to deliver multi-agency child protection reform**, including through establishing multi-agency child protection teams, with embedded social worker Lead Child Protection Practitioners, health, police and education practitioners and other agencies according to local needs.

- **Incorporate systemic use of family group decision-making** and family network support packages to make greater use of family networks. Where it is in the best interests of the child, local partnerships should ensure that the offer of family group decision-making is made as early as possible and repeat the offer as a child's needs and the support they receive changes.

10. The above includes compliance with the measures set out in the Children's Wellbeing and Schools Bill⁷:

- offer a family group decision-making meeting at the pre-proceedings stage, where that is in the child's best interests
- safeguarding partners to establish multi-agency child protection teams.

11. Funding can also be used to complete transformation such as:

- **Increase leadership capacity across the partnership** to engage with reforms, in addition to funding core transformation posts to bolster project and programme management expertise.
- **Actively engage a diverse range of children and families**, including those with experience of child protection and the care system.
- **Use their Multi-Agency Safeguarding Arrangements (MASA)** to discuss and agree their approach. DfE expects grant recipients to work with health and police (as Lead and Delegated Safeguarding Partners) and other key partners to further strengthen multi-agency working to support families and protect children. Grant recipients can use this funding to support other local partners to deliver transformation and/or implementation activity for these reforms.
- The selected Kinship Zone local authorities will receive significant investment the Kinship Zone grant agreement to provide financial allowances to kinship carers – this offsets any funding those local authorities already spend on their existing kinship allowance offer. The Kinship Zone local authorities are encouraged to spend some of this grant funding to deliver family network support packages in their local areas.

Delivery Expectations

12. Current preventative services should continue until grant recipients can implement new services. This should ensure a continuation of targeted, whole family support to help children and families overcome challenges at the earliest opportunity.

13. New and expanded service delivery must be underpinned by:

- **The National Framework's outcomes and enablers**, which are foundational to good practice in children's social care. Leaders and practitioners should be led by high quality evidence of 'what works' to achieve the outcomes set out in the National Framework. This includes the use of Practice Guides. Please see the FFP programme guide for further details.
- **Data systems that enable and advance reforms**, by facilitating effective data collection and information sharing across agencies. As part of the transformation,

⁷ Both measures are expected to become statutory requirements subject to the Bill receiving Royal Assent and following implementation by way of further regulations. We will set out further details on implementation and commencement of the MACPT and FGDM bill measures once the Bill receives Royal Assent.

the FFP reforms may, therefore, require significant changes to case management systems (CMS). DfE has engaged with CMS suppliers, pathfinders, and specialists to create [technical guidance](#) to support initial system changes needed to support FFP reforms.

14. In 2026-27, Families First for Children (FFC) Pathfinder areas must align their local delivery with the FFP national programme guide and to the timetable set out in paragraph 8 above and support the ongoing FFC evaluation.

Reporting and Accountability

15. Grant recipients must demonstrate how they are delivering all aspects of the reforms with their safeguarding partners, via programme reporting.
16. DfE will monitor implementation in 2026-27 and, where necessary, provide a more enhanced level of support and challenge to those areas that do not demonstrate expected levels of delivery progress. Recipients must engage with DfE on matters related to delivery progress and their expected trajectory each quarter.
17. Grant recipients must participate in all mandatory programme data collections and reporting requirements:
 - a. **FFP quarterly programme monitoring data** collection began in Q2 of 2025-26 with initial metrics and guidance set out in the programme reporting [guidance document](#). There may be some small amendments to the collection including the addition of multi-agency focused metrics and capturing the experience of children and families, to enable a fuller picture of programme progress. It is expected that this data collection will continue until March 2028.
 - b. **Spend data** through the quarterly FFP monitoring returns to ensure existing prevention spend is not displaced, and to monitor an expected shift from spending on care to spending on Family Help. Government will also monitor spend through the Local Outcomes Framework in due course.
 - c. **Reports on FFP delivery plan progress**, which in turn should be developed with, and agreed by, their local safeguarding partnership.
18. DfE encourages grant recipients to participate in the voluntary targeted early help data collection ([TEHADC](#)). TEHADC is a key part of the FFP data strategy which will enable DfE to monitor and evaluate the reforms. The collection and each data item in it are voluntary, however DfE will be working towards making the data collection mandatory in future. The first collection period will be April 1 2026, and run until July 31 2026.
19. Local authorities may also be offered the opportunity to work with DfE to test and evaluate innovative fostering practices, linked to prevention. Local authorities should co-operate with DfE as far as possible.

HOLIDAYS ACTIVITIES AND FOOD

Use of the Funding

20. The Holiday Activities and Food programme (HAF) funding is ringfenced for local authorities to make free places at holiday clubs available in the Easter 2026, Summer 2026 and Christmas 2026 holidays to children in their local authority who meet the eligibility as set out

in HAF programme guidance and to support capacity to deliver a sufficient and sustainable school aged childcare system

21. Grant recipients must have due regard to related guidance issued by DfE, including for [Holiday Activities and Food Programme and School Age Childcare: Local Authority Capacity Funding](#).
22. Local authorities must fund the HAF provision across the core periods of Easter, summer & Christmas and have some discretion to go further to deliver in half terms, as set out in guidance. Local authorities have flexibility about how they spend this grant and deliver this provision to best serve the needs of the children and families in their areas, but provision should remain in line with the eligibility, core offer and framework of standards set out in our programme guidance. Further information for local authorities is available on gov.uk: [Holiday Activities and Food Programme](#).
23. All provision funded by the local authority through the HAF programme must meet the framework of standards, including quality assurance, as outlined in the programme guidance.
24. Grant recipients are expected to use no more than 7.5% of their HAF funding allocation to cover the administration costs of the local coordination for the HAF programme, as set out in the [programme guidance](#). This means that 92.5% of expenditure is expected to be spent on the provision of free holiday club places for eligible children. DfE recognises that administration costs may represent a higher proportion of expenditure for smaller local authorities and will therefore notify smaller authorities in writing of the maximum they are expected to spend on local administration costs. These costs are expected to be separate to the local authority capacity funding, and this is broken down separately.
25. Grant recipients are expected to use no more than 15% of their HAF funding allocation to provide free or subsidised places for school-aged children who do not meet the eligibility criteria but who the local authority believe could benefit from HAF provision. Grant recipients should ensure that these places are aligned to their local priorities. Grant recipients must have in place a nominated HAF coordinator who takes responsibility within the local authority for the strategic oversight and delivery of the HAF programme in line with the expectations set out in HAF guidance including on mapping demand, commissioning, quality assurance and partnership working. The level of resource in the local authority should be proportionate to the level of funding received. Each HAF coordinator must engage with the support offer provided by DfE as set out in the “Support for local authorities” section of the [HAF guidance](#). The HAF coordinator should work closely with the local authorities nominated school-age childcare lead (where different) to maximise efficiencies and join-up between different types of holiday provision.
26. Grant recipients must produce and maintain a central register of all the providers they fund through their HAF programme and make this available to DfE upon request. This register should include the venue name, address, contact details and named key contacts along with an overview of the dates, times and the nature of activities during holiday periods. The register should be provided to DfE by 30th June 2026 (HAF 2026-27).
27. As part of the HAF allocation, the government is providing local authorities with £12.9m of additional funding in the 2026 to 2027 financial year to support their capacity to deliver a sufficient and sustainable School Age Childcare system. Grant recipients must have in place a nominated school-age childcare lead with responsibility within the local authority for strategic oversight of the local school aged childcare market - including driving supply and increasing awareness of local provision - so that provision of school aged childcare in their local area meets the needs of parents and carers, and children, consistent with their legal duty under Childcare Act 2006 to secure sufficient childcare. School-age childcare leads should designate appropriate proportions of their time to the activities set out in [supporting](#)

guidance which grant recipients must have due regard to, including supporting schools in preparing for and establishing free breakfast clubs and maximising the sufficiency and sustainability of existing and new SAC provision. The grant recipient must engage with the DfE's sufficiency support offer as appropriate, which will be clarified in Spring 2026.

28. Where there is evidence that grant recipients have not met expectations associated with HAF administration costs and Local Authority Capacity funding, DfE will engage with grant recipients to understand why and seek to address this.

UK Government Branding

29. The grant recipient shall always during and following the end of the Funding Period:
 - a. comply with requirements of the Branding Manual in relation to the Funded Activities found at HM Government of the United Kingdom of Great Britain and Northern Ireland Branding Manual Funded by UK Government first published by the Cabinet Office in November 2022, and is available at <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>, including any subsequent updates from time to time.
 - b. cease use of the Funded by UK Government logo on demand if directed to do so by DfE;
 - c. adhere to the UK Government Branding Policy Guidance available at 2022-06-01-UKG-Branding-Grants-Policy-Guidance-v1.0.pdf (civilservice.gov.uk) (link)

Payment and Reporting Arrangements

30. By 1st May 2027 grant recipients must provide DfE with a Statement of Expenditure and Certificate of Grant Usage which details the cost of the HAF programme, and total Local Authority Capacity expenditure, confirmed by the nominated responsible officer.
31. In advance of each holiday delivery period, DfE will inform grant recipients of the date for the submission of HAF data returns and will provide them with a template for the submission. The template will also set out what information and data the grant recipient is required to report on with core elements set out in the programme guidance.
32. Grant recipients must ensure that the data and information it collects, and the data and information collected by the holiday clubs it funds, will be collected in strict adherence to the General Data Protection Regulation (GDPR).
33. Grant recipients must provide an annual report on their HAF programme to DfE by 30th June 2027 and will be published on their HAF website or webpages. Further detail is set out in the "Annual Report" section of the programme guidance.
34. Grant recipients will work with DfE and with any support organisation appointed to work on behalf of DfE in relation to the monitoring and delivery of the HAF Programme.
35. Grant recipients must have a HAF website or dedicated pages on grant recipients' websites for their HAF programme in line with the programme guidance.

Data collection

36. Grant recipients must comply with the collection of data that DfE requires and is set out in the accompanying HAF [programme guidance](#).
37. Grant recipients must provide school-age childcare data and evidence to DfE as required, in line with expectations set out in the accompanying school-age childcare guidance. This will include, but is not limited to, the Wraparound Childcare data collection process.
38. DfE may require grant recipients to undertake additional data collection during the grant recipient's programme to cross match the data with DfE's National Pupil Database, which contains a variety of information on pupil characteristics, education and family set-up.
39. DfE may publish data on participation and expenditure, including breakdowns of this data at local authority level. If selected for this additional data collection, the grant recipient is expected to comply with the collection of data, and DfE will notify grant recipients by 28th March 2026 whether the grant recipient has been selected.

RECORDS

40. Grant recipients must maintain reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under this Determination.
41. Grant recipients and any person acting on behalf of the grant recipient must allow:
 - a. the Comptroller and Auditor General or appointed representatives, or
 - b. the Secretary of State for Education or appointed representatives, free access at all reasonable times to all documents (including computerised documents and data) and other information as are connected to the grant payable under this Determination, or to the purposes for which grant was used.
42. The documents, data and information referred to in these conditions are such which the Secretary of State for Education or the Comptroller and Auditor General may reasonably require for the purposes of 'spot checking' administrative costs or significant amounts paid under the Scheme or a financial audit of any department or other public body or for carrying out examinations into the economy, efficiency and effectiveness with which any department or other public body has used its resources. Grant recipients must provide such further explanations as are reasonably required for these purposes. These conditions do not constitute a requirement for the examination, certification or inspection of the accounts of the grant recipient by the Comptroller and Auditor General under section 6(3) of the National Audit Act 1983. The Secretary of State for Education and Comptroller and Auditor General will seek access in a measured manner to minimise any burden on the grant recipient and will avoid duplication of effort by seeking and sharing information with local auditors.

FINANCIAL PROCEDURES AND REPORTING

43. Grant recipients must maintain a sound system of internal financial controls. If the grant recipient has any grounds for suspecting financial irregularity in the use of any grant paid under this Determination, it must notify DfE immediately, explain what steps are being taken to investigate the suspicion and keep DfE informed about the progress of the investigation. For these purposes "financial irregularity" includes fraud or other impropriety,

mismanagement, and the use of grant for purposes other than those for which it was provided.

BREACH OF CONDITIONS AND WITHHOLDING FUTURE FUNDING

44. If the grant recipient fails to comply with any of these conditions, or if any overpayment is made under this grant, or any amount is paid in error, or any unspent funding is not returned, the Secretary of State for Housing, Communities and Local Government may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined jointly by the Secretary of State for Housing, Communities and Local Government and the Secretary of State for Education and notified in writing to the recipient authority. Such sum as has been notified will immediately become repayable to the Secretary of State for Housing, Communities and Local Government who may offset the sum against any future amount due to the recipient authority from central government.

Annex E – Draft conditions for Crisis and Resilience Fund

Eligible expenditure

1. This grant is ringfenced for the Crisis and Resilience Fund. The Authority is to ensure that the grant is used to provide support for low-income households who encounter a financial shock, and to support activity that builds individual and community financial resilience. This includes through the provision of Crisis Payments, Housing Payments, Resilience Services and Community Coordination.
2. The grant is paid to the Authority to support eligible expenditure only (see paragraphs 4 to 8 below); and on the basis overall that the provision of grant funding remains subject to the Secretary of State for Work and Pensions' ongoing satisfaction that all grant usage by the Authority complies fully with the relevant conditions.
3. The Authority must have regard to any guidance issued by the Department for Work and Pensions or sources of information and data available to it that may assist in the decision-making regarding the Scheme.
4. Unless the Secretary of State for Work and Pensions decides otherwise (for all Authorities or any one Authority), the Authority must determine eligibility for assistance under the Scheme and the means by which assistance will be provided (whether directly by the Authority or through a third party) and use the grant monies as follows:
 - a. the Authority is to ensure that Crisis Payments are primarily allocated to support essential living needs in accordance with the Scheme guidance;
 - b. the Authority must make Housing Payments to support those needing help with housing costs who are entitled to Universal Credit (UC) Housing Element or Housing Benefit (HB). Further detail on the funding Authorities are expected to spend on Housing Payments has been included in guidance as set out by the Secretary of State for Work and Pensions;
 - c. the Authority may allocate Crisis Payments to pay housing costs incurred by occupiers or prospective occupiers where Housing Payments are not payable, as set out in the Scheme guidance;
 - d. the Authority, during the Grant Period, is to facilitate applications for assistance under the Scheme from individuals who are eligible for assistance in its area;
 - e. the Authority must, in accordance with the Scheme guidance, allocate a portion of the grant to provide support that will improve, beyond the Grant Period, the financial resilience of households, including those households who are not struggling to meet their immediate essential living costs, and prevent vulnerable households from falling into, or further falling into, crisis. Such activities may include the provision of advice to individuals in meeting their essential living needs. For the avoidance of doubt, this does not include using the Fund to deliver and maintain activity for which the Authority is already receiving funding from HM Government.
5. Nothing in this paragraph 4(e) shall preclude the Authority from supplementing or expanding through the Fund existing provision delivered by the Authority, which the Authority is able to do where it aligns with the Crisis and Resilience Fund policy intent.
6. If the Authority or any third party incurs any of the following costs, they must be excluded from eligible expenditure:
 - a. contributions in kind;

- b. payments for activities of a political or exclusively religious nature;
- c. depreciation, amortisation or impairment of fixed assets;
- d. input VAT reclaimable from HM Revenue & Customs;
- e. interest payments or service charge payments for finance leases;
- f. gifts, other than promotional items with a value of no more than £10 in a year to any one person;
- g. entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- h. statutory fines, criminal fines or penalties; or
- i. payments under the Scheme procured by fraud or otherwise paid as a result of financial irregularity as defined by paragraph 18.

7. and, for the avoidance of doubt, the exclusions at a) and f) above do not apply to the provision of direct assistance, including food and in-kind support, to the intended eligible beneficiaries of the Scheme.

8. The Authority must not deliberately incur liabilities for eligible expenditure before there is an operational need for it to do so.

Payment arrangements

9. The grant will be paid by monthly instalments. The funding received by local authorities will be made up of 3 component parts. For 2026-27 and 2027-28, the allocations include:

- a. For unitary authorities – funding for crisis and resilience activities, housing payments and local authority housing administration costs;
- b. For upper tier authorities – funding for crisis and resilience activities;
- c. For lower tier authorities – funding for housing payments and local authority housing administration costs.

10. For 2028-29 – only unitary and upper tier authorities will receive funding for all components of the Crisis and Resilience Fund.

11. If at any time the Authority becomes aware that the payment arrangements will affect the delivery of the Scheme, the Authority must inform the Department for Work and Pensions as soon as possible. The Secretary of State for Housing, Communities and Local Government (in agreement with the Secretary of State for Work and Pensions) reserves the right to alter the timing or amount of grant payments accordingly.

Statement of Grant Usage

12. The Authority must prepare a Statement of Grant Usage to be submitted to the Department for Work and Pensions at a time and in a form directed by the Secretary of State for Work and Pensions. The Statement of Grant Usage must provide details of eligible expenditure in the Grant Period. The Statement of Grant Usage must be certified by the Authority's Section 151 officer that, to the best of the officer's knowledge, the amounts shown on the Statement are all eligible expenditure and that the grant has been used for the purposes intended.

13. The Secretary of State for Work and Pensions may at any time require a validation or audit to be carried out by officers of the Department for Work and Pensions or an appropriately qualified independent accountant or auditor, on the use of the grant.
14. The Authority must provide delivery plans setting out their approach for use of the Crisis and Resilience Fund, demonstrating the ways in which they intend to allocate their funding to achieve progress against the expected outcomes of the Crisis and Resilience Fund.

Progress Report and Management Information Return

15. The Authority must provide a Progress Report and Management Information Return with the Statement of Grant Usage in a form directed, and subject to any guidance issued, by the Secretary of State for Work and Pensions.
16. The Authority must comply with DWP's reporting and Management Information (MI) requirements, which will be set out in the Crisis and Resilience Fund (April 2026 – March 2029) MI Reporting Requirements document. MI will be collected on a six-monthly basis.

Financial management

17. The Authority must maintain a sound system of internal governance and financial controls in relation to the grant.
18. If the Authority has any grounds for suspecting financial irregularity in the use of any grant paid under this Determination, it must notify the Department for Work and Pensions immediately, explain what steps are being taken to investigate the suspicion and keep the Department informed about the progress of the investigation.

Records

19. The Authority must maintain reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under this Determination.
20. The Authority and any person acting on behalf of the Authority must allow: a) the Comptroller and Auditor General or appointed representatives, or b) the Secretary of State for Work and Pensions or appointed representatives, free access at all reasonable times to all documents (including computerised documents and data) and other information as are connected to the grant, or to the purposes for which grant monies were used, subject to the provisions in paragraph 21.
21. The documents, data and information referred to in paragraph 20 include such which the Secretary of State for Work and Pensions or the Comptroller and Auditor General may reasonably require for the purposes of 'spot checking' administrative costs or significant amounts paid under the Scheme or a financial audit of any department or other public body or for carrying out examinations into the economy, efficiency and effectiveness with which any department or other public body has used its resources. The Authority must provide such further explanations as are reasonably required for these purposes.
22. Paragraphs 20 and 21 do not constitute a requirement for the examination, certification or inspection of the accounts of the Authority by the Comptroller and Auditor General under section 6(3) of the National Audit Act 1983. The Secretary of State for Work and Pensions and Comptroller and Auditor General will seek access in a measured manner to minimise

any burden on the Authority and will avoid duplication of effort by seeking and sharing information with local auditors.

23. Authorities are required to work with the Department for Work and Pensions, and the research contractor commissioned by the Department, to support the evaluation of the Crisis and Resilience Fund. This includes agreeing appropriate data sharing arrangements.

Breach of Conditions and Recovery of Grant

24. If the Authority fails to comply with any of these conditions, or if any overpayment is made in relation to this grant or any amount is paid in error, or if any of the events set out in paragraph 25 occurs, the Secretary of State for Housing, Communities and Local Government (in agreement with the Secretary of State for Work and Pensions) may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State for Housing, Communities and Local Government (in agreement with the Secretary of State for Work and Pensions) and notified in writing to the Authority. Such sum as has been notified will immediately become repayable to the Secretary of State for Housing, Communities and Local Government who may set off the sum against any future amount due to the Authority from central government.
25. The events referred to in paragraph 24 are:
 - a. the Authority purports to transfer or assign any rights, interests or obligations arising under this Determination without the prior agreement of the Secretary of State for Work and Pensions;
 - b. any information provided in any application for grant monies payable under this Determination, or in any subsequent supporting correspondence, is found to be significantly incorrect or incomplete in the opinion of the Secretary of State for Work and Pensions;
 - c. it appears to the Secretary of State for Work and Pensions that other circumstances have arisen or events have occurred that are likely to significantly affect the Authority's ability to deliver the Scheme;
 - d. the Authority's Section 151 officer is unable to provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the Grant Period in accordance with the definitions and conditions in this Determination; or
 - e. the Authority fails to provide the Statement of Grant Usage and a Progress Report and Management Information Return in accordance with the Grant Conditions.
26. The Authority must comply with requests for information, accommodate site visits and support with requests to undertake audits where requested.

Communications

27. The Authority shall at all times during and following the end of the Grant Period:
 - a. comply with requirements of the Branding Manual in relation to activity under the Scheme; and

- b. cease use of the Funded by UK Government logo on demand if directed to do so by the Department for Work and Pensions.
- 28. The Authority must publish on their website, and by any other appropriate means, such information as it considers sufficient to enable the general public to understand the Scheme (including the Authority's eligibility criteria and how the Scheme can be accessed) in accordance with the Scheme guidance.
- 29. Authorities will be required to promote awareness of their plans for the Crisis and Resilience Fund, administer a 'Crisis Payment' scheme, administer a 'Housing Payment' scheme (where this falls within their remit), use the name 'Crisis and Resilience Fund', ensure that the scheme remains accessible and provide a website page that is dedicated to the Crisis and Resilience Fund.

DRAFT

Annex F – Change log for Explanatory note on Funding Simplification

Date	Changes
18 December 2025	First published
9 February 2026	<ul style="list-style-type: none">• Expanded explanation on Core Spending Power• Details on the increased value of the Homelessness, Rough Sleeping and Domestic Abuse grant, including Renters Right Act and Supported Housing support services• Updated funding arrangements for Isles of Scilly• Updated publication date for grant determination letters• Public health circular link included and draft grant conditions removed• Updated Annex A Explanatory Table