

Title: Rough Sleeping Programme Delivery - 2026/27
Portfolio: A North East We are Proud to Call Home
Responsible Director: Phil Witcherley, Director of Economic Growth and Innovation
Report Author: James Williams, Policy and Economy Adviser (Homelessness)

Purpose of the report

To seek approval to accept and deploy the North East Mayoral Strategic Authority's 2026/27 Rough Sleeping Programme allocation of £3.116m and approve the proposed approach to deliver the Prime Minister's ambition to provide a route off the streets before Christmas 2026.

Recommendations

The Chief Executive is recommended to approve/authorise:

1. The acceptance of the North East MSA's £3,115,770 2026/27 Rough Sleeping Programme allocation.
2. The proposed approach to distribute the 2026/27 revenue allocation to constituent local authorities to support immediate rough sleeping interventions and delivery of the Prime Minister's ambition to provide a route off the streets before Christmas 2026.
3. Delegate authority to the Director of Economic Growth and Innovation, in consultation with the Portfolio Holder, to finalise grant agreements, funding allocations and delivery arrangements required to implement the programme.
4. Note the intention to develop a longer-term regional approach to rough sleeping and settled accommodation delivery for implementation from 2027/28 onwards.

Executive Summary

On 19 August 2026, the Prime Minister launched the national Rough Sleeping Programme with the ambition that everyone sleeping rough is offered a route off the streets before Christmas 2026. The North East Mayoral Strategic Authority (MSA) has been allocated £3.115m revenue funding during 2026/27 to support delivery of this objective.

The funding has been directed through Mayoral Strategic Authorities as part of the Government's devolution agenda and wider commitment to 'rewiring the state', creating an opportunity for the North East MSA to coordinate a regional response to rough sleeping. Given the requirement for rapid mobilisation and delivery during winter 2026/27, it is proposed that funding is distributed through constituent local authorities, enabling immediate deployment through existing homelessness services and accommodation pathways.

A. Context

1. Rough Sleeping Programme

On 19 August 2026, the Prime Minister and the Ministry of Housing, Communities and Local Government (MHCLG) announced a new national Rough Sleeping Programme. The programme aims to ensure that everyone sleeping rough is offered a route off the streets before Christmas 2026 through investment in emergency accommodation, support and intervention services.

As part of the programme, the North East MSA has been awarded £3,115,770 revenue funding for 2026/27. This forms the first phase of a wider multi-year programme and provides an opportunity to support

some of the region's most vulnerable residents whilst contributing to the Mayor's wider housing and homelessness ambitions.

Approval is therefore sought to formally accept the 2026/27 allocation and enable delivery to commence.

2. Proposed Delivery Approach

MHCLG has made clear that delivery should commence rapidly following funding allocation, with communications stating that constituent authorities should be informed of their indicative allocations by 16 September 2026. Given the requirement to deliver measurable reductions in rough sleeping before Christmas 2026, there is limited opportunity to establish new commissioning structures or undertake lengthy procurement exercises.

It is therefore proposed that the funding is distributed to constituent local authorities who already have established homelessness services, accommodation pathways, provider relationships and statutory responsibilities for responding to rough sleeping. This approach provides the fastest and lowest-risk route to delivery.

To support rapid, transparent and evidence-based deployment of funding, it is proposed that constituent authority allocations are determined using the same methodology applied by MHCLG when allocating funding to Mayoral Strategic Authorities. This approach reflects levels of need and rough sleeping pressures across areas, provides a clear and defensible basis for distribution, and ensures consistency between national and regional allocation processes. Applying the established formula will also enable allocations to be communicated quickly, supporting the timely mobilisation of activity ahead of winter 2026/27.

Whilst voluntary, community and housing sector organisations will remain important delivery partners, local authorities are uniquely positioned to coordinate housing, temporary accommodation, welfare support, safeguarding, public health and wider public services. No single delivery organisation could provide the breadth of provision required under the programme guidance.

Approval is therefore sought for the proposed approach to distribute funding through constituent authorities and for delegated authority to be provided to finalise grant agreements and implementation arrangements.

3. Next Steps

- A.1 Funding acceptance and distribution will be confirmed with MHCLG
- A.2 Allocations will be confirmed with constituent authorities by MHCLG's 16 September 2026 deadline
- A.3 Funding will be distributed during autumn 2026
- A.4 Regional monitoring and governance arrangements will be established
- A.5 Proposals for capital investment and longer-term delivery arrangements will be developed during 2026/26 ahead years two and three of the programme

B. Impact on North East Mayoral Strategic Authority Objectives

The proposal directly supports the North East MSA's ambition to create a fairer and more inclusive region where residents have access to safe and secure housing.

The programme contributes to the Mayor's Plan for Homes and commitment to tackle homelessness, support vulnerable residents and work collaboratively across local government and partner organisations to improve outcomes for communities.

The programme also contributes to wider objectives relating to health, wellbeing, economic inclusion and reducing inequalities across the region.

C. Key Risks

Risk	Mitigation
Funding timescales may limit the ability to establish new commissioning arrangements before winter 2026/27	Utilise existing local authority delivery mechanisms and established services to support rapid mobilisation
Demand for services may exceed available funding	Prioritise funding onward interventions that provide the greatest impact on reducing rough sleeping and support effective targeting of resources
Delivery approaches may vary across constituent authorities	Establish regional monitoring arrangements and shared outcome expectations
Failure to deliver programme outcomes could impact future funding opportunities and directly impact future provision for those rough sleeping	Robust programme management, performance monitoring and regular engagement with MHCLG and delivery partners

D. Corporate Implications

1. Finance and other resources implications

The North East MSA has been allocated £3.115 through the Government's Rough Sleeping Programme for 2026/27. Detailed financial arrangements and profiling will be developed in accordance with MHCLG grant conditions and North East MSA financial procedures.

2. Legal Implications

The North East MSA has powers to receive, administer and distribute grant funding in support of its statutory functions and agreed priorities. Detailed grant agreements and delivery arrangements will be developed in consultation with Legal Services and in accordance with the requirements of MHCLG and the North East MSA constitution.

3. Equalities Implications

People experiencing rough sleeping often experience multiple disadvantages and are disproportionately represented within groups with protected characteristics. The programme is expected to have a positive impact by improving access to accommodation, support and wider services for vulnerable residents. An Equality Impact Assessment will be completed and maintained as delivery proposals are developed.

4. Consultation and engagement

The North East MSA will work closely with constituent authorities, homelessness services, housing providers, voluntary and community sector organisations and MHCLG in developing and delivering the programme. Ongoing engagement will inform both immediate delivery arrangements and the development of longer-term regional proposals.

E. Appendices

Appendix 1: Rough Sleeping Programme Funding Allocation

F. Background papers

MHCLG Rough Sleeping Programme Guidance (August 2026)

MHCLG Rough Sleeping Programme Funding Allocations (August 2026)

G. Glossary

Abbreviation	Meaning
CDEL	Capital Departmental Expenditure Limit
MHCLG	Ministry of Housing, Communities and Local Government
North East MSA	North East Mayoral Strategic Authority
RDEL	Resource Departmental Expenditure Limit

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Appendix 1

Year	Revenue (RDEL)	Capital (CDEL)
2026/27	£3,115,770	-