



<b>Service Delivery Committee</b>	<b>Tuesday, 28 November 2023</b>	<b>Matter for Information</b>
---------------------------------------	--------------------------------------	-----------------------------------

**Report Title:** **Provision of Temporary Accommodation To Meet The Needs of Homeless Households**

**Report Author(s):** **Christopher Eyre (Housing Manager)**

<b>Purpose of Report:</b>	The purpose of this report is to update the Committee on the issues that drive the provision and management of Temporary Accommodation.
<b>Report Summary:</b>	The demand for Temporary Accommodation (TA) is driven by the number of households in housing need approaching the Council's Housing Options Service for assistance and requiring housing. This report sets out the changing demands, the main causes of homelessness and projections for the future. Also illustrated are the levels of homeless people rehoused into social housing and a brief summary of homeless prevention initiatives that the Council is undertaking.
<b>Recommendation(s):</b>	<b>The work of the Housing Options service be noted.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Sal Khan (Strategic Director) (0116) 257 2635 <a href="mailto:Sal.Khan@oadby-wigston.gov.uk">Sal.Khan@oadby-wigston.gov.uk</a></p> <p>Adrian Thorpe (Head of the Built Environment) (0116) 257 2645 <a href="mailto:Adrian.Thorpe@oadby-wigston.gov.uk">Adrian.Thorpe@oadby-wigston.gov.uk</a></p> <p>Christopher Eyre (Housing Manager) (0116) 257 2726 <a href="mailto:Chris.Eyre@oadby-wigston.gov.uk">Chris.Eyre@oadby-wigston.gov.uk</a></p> <p>Louise Taylor (Housing Options and Lettings Manager) (0116) 257 2735 <a href="mailto:Louise.Taylor@oadby-wigston.gov.uk">Louise.Taylor@oadby-wigston.gov.uk</a></p>
<b>Strategic Objectives:</b>	Our Communities (SO2)
<b>Vision and Values:</b>	Customer & Community Focused (V1)
<b>Report Implications:-</b>	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out in the report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Political Dynamics (CR3) Reputation Damage (CR4) Effective Utilisation of Assets / Buildings (CR5)

Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	None.
<b>Appendices:</b>	None.

## 1. Introduction

- 1.1 The purpose of this report is to provide an overview of the supply and demand for temporary accommodation, the challenges in meeting the need and the options for changing the mix and location of temporary accommodation. The Council has a statutory duty to provide suitable accommodation to meet demand and so must be able to maintain sufficient emergency and long-term temporary accommodation to meet demand. The function for determining homelessness duties and the provision of temporary accommodation is carried out by the Housing Options Team, a part of the Housing Service at Oadby and Wigston Borough Council.
- 1.2 The Council must secure interim accommodation for applicants and their household if it has reason to believe they may be homeless, eligible for assistance and have a priority need. (Housing Act 1996, section 188).
- 1.3 Provision of temporary accommodation poses significant challenges for all councils in terms of:
- securing sufficient accommodation to meet demand;
  - providing affordable accommodation;
  - ensuring good standard of accommodation; and
  - managing the overall cost to budgets
- 1.4 All homelessness costs including the costs associated with temporary accommodation must be paid for through the Council's general fund.
- 1.5 The Council receives a Homelessness Prevention Grant from the Government. This grant is to give the authority control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness.
- 1.6 Other budgets within the Housing Service include the Housing Revenue Account. This account is strictly intended to record expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants. This cannot include the Council's duty to homelessness and homelessness prevention duties.

1.7 When a household is placed into temporary accommodation following a homeless application there are two stages to the provision of the accommodation:

- Stage 1: accommodation used for households who require somewhere else to live whilst the Housing Options Team try to relieve their homelessness and pending an assessment of a homeless application. It is short-term emergency accommodation which allows for a comprehensive assessment of the household circumstances so that the Council can prevent homelessness wherever possible and consider whether it has a full statutory housing duty under the housing legislation; and
- Stage 2: longer term, more settled temporary accommodation when the Housing Options Team are unable to relieve homelessness and therefore the Council has a main homelessness duty.

1.8 It is a statutory requirement that the Council provides temporary accommodation that is suitable for homeless households in terms of size, cost, and location. Every unit must comply with the Council's property letting standard and should be free of hazards as prescribed in the Housing Health and Safety Rating Standard (HHSRS). The HHSRS is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the Housing Act 2004. Hazards could include but are not limited to;

- Hygiene
- Safety
- Heating, lighting and noise

## 2. Provision of Temporary Accommodation

2.1 Currently there are 11 Council owned properties used as temporary accommodation and managed by the Housing Options Team.

2.2 In addition to this the Council has leases on five properties, four of this number are leased from Private Sector Landlords and one from a Housing Association.

2.3 Table one provides a summary of the property types and tenure and the annual cost of these properties.

Stock	Annual Cost	Tenure
1 bed flat	£4,294.68	Council Owned
3 Bed Maisonette	£5,520.84	Council Owned
3 Bed Maisonette	£5,461.04	Council Owned
1 Bed Flat	£4,316.00	Council Owned
3 Bed Flat	£5,321.16	Council Owned
1 bed flat	£4,835.48	Council Owned
2 Bed Flat	£4,985.76	Council Owned
3 Bed Maisonette	£5,302.96	Council Owned
2 Bed Flat	£4,985.76	Council Owned
1 Bed Flat	£4,751.24	Council Owned
Bedsit	£3,981.12	Council Owned
Bedsit	£5,720	Housing Association Lease
2 Bed House	£8,088.00	Private Sector Lease
2 Bed House	£8,400	Private Sector Lease
2 bed house	£8,700	Private Sector Lease
2 bed bungalow	£8,040.00	Private Sector Lease

**Table 1**

- 2.4 The Council own a property that has been converted into a temporary accommodation hostel for families. The property known as Belmont House has four self contained rooms with shared kitchen and bathroom facilities.
- 2.5 Belmont House is suitably designed to allow the Council to provide a high standard of temporary accommodation.
- 2.6 The estimated annual running costs (not including the day-to-day management of the site or costs associated with the management of the residents) is £17,000pa.
- 2.7 In addition to these units of accommodation the Housing Options Team use bed and breakfast (B&B) accommodation provided through the Hospitality Sector. Table 2 provides an illustration of the top five providers used by the Team and the costs associated with each provider.

<b>Provider (Abbreviated code)</b>	<b>Per Night</b>	<b>Per Week</b>	<b>Per Month</b>
APH	40.00	280.00	1,240.00
REH	53.56	374.92	1,660.36
CH	55.00	385.00	1,705.00
WH	65.00	455.00	2,015.00
RAH	84.00	588.00	2,604.00

**Table 2**

- 2.8 Priority for temporary accommodation owned and managed by the Council is given to families with children. B&B accommodation will be used to accommodate single people and couples. In exceptional circumstances it may need to be used for families.
- 2.9 The properties leased from the private sector are for periods of 3-5 years and then renewed. However, the market has made it increasingly challenging for the Council to renew leases on existing properties and to attract new leases. Average rents per calendar month in the private rented sector are significantly higher than the Local Housing Allowance (LHA) rate for Leicestershire allows for.

	<b>LHA(pcm)</b>	<b>Wigston PRS (pcm)</b>	<b>Oadby PRS (pcm)</b>
Shared Accommodation	£321	N/A	N/A
One Bedroom	£414	£650	£688
Two Bedroom	£520	£795	£900
Three Bedroom	£621	£1,100	£1,198
Four Bedroom	£824	£1,500	£1,400

**Table 2 Source** [www.Home.co.uk](http://www.Home.co.uk)

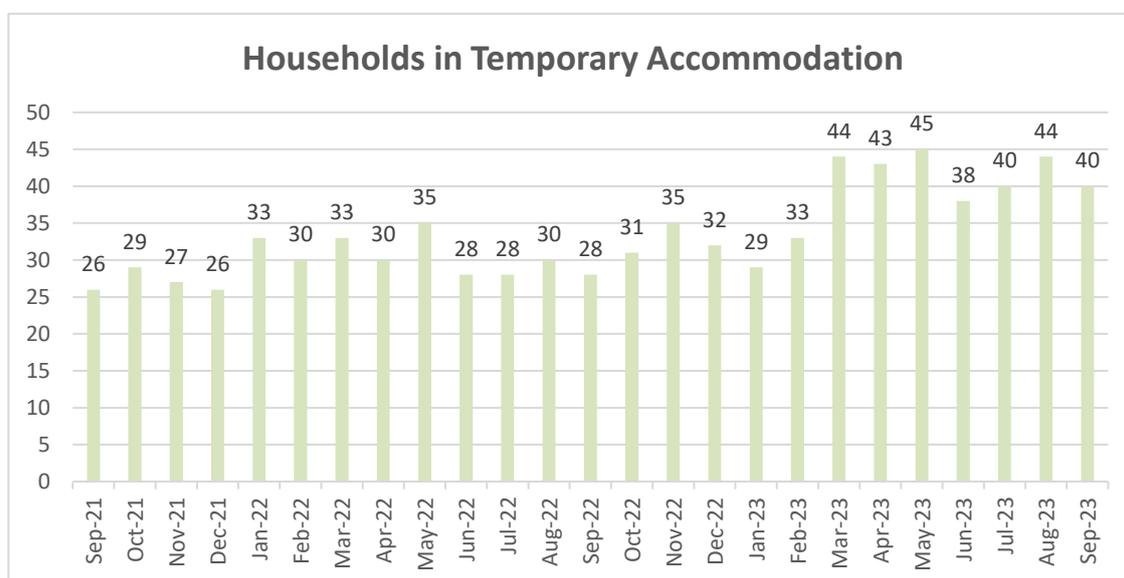
- 2.10 The Local Housing Allowance is used to work out claims for Housing Benefit for tenants renting accommodation from a private landlord. In other words, it is the amount of housing benefit that the tenant receives and because it is not sufficient to cover the rent, the remainder must be paid by the Council, funded from the general fund.
- 2.11 When negotiating cost levels with private sector landlords, the core market advantage that councils tend to have is a guaranteed income from a public body. However, the increasing strength of the private rented sector market has eroded this advantage over time with property owners having a wider choice of tenants.

### **3. Temporary Accommodation Demand**

- 3.1 The number of households presenting as homeless to the majority of councils in England

has increased significantly in the recent years. The worst hit councils are spending millions of pounds in order to manage and accommodate the rise in homelessness.

- 3.2 In an emergency homelessness summit organised by the District Councils Network (DCN) and Eastbourne Borough Council many councils reported a significant increase in the demand for temporary accommodation, rising costs associated with temporary accommodation and limited options for moving households into.
- 3.3 OWBC is also experiencing a significant increase in the demand for temporary accommodation which in turn is increasing the associated costs to the general fund.
- 3.4 The demand for temporary accommodation is complex. Most, but not all, households that approach the Council as homeless are placed into temporary accommodation. This is because there are some cases where we can negotiate additional time to stay or prevent homelessness where someone is staying with friends or family or privately renting. In addition to this a very small number will not be provided temporary accommodation pending a full decision, but this is exceptional. Table 3 sets out the change in the number of households being placed into temporary accommodation by the Council since September 2021.



**Table 3**

- 3.5 The number of households being placed into temporary accommodation has increased by 54% since 2021. This is slightly below the County wide increase of 60% for the same period.
- 3.6 Currently the Housing Options Team are placing five households per month into temporary accommodation.
- 3.7 The reasons for households approaching the Council as homeless in the last 12 months can be seen in table 4:

Reason for Presenting as Homeless	%
Other (Care Leaver, Prison Leaver, Relationship breakdown)	33
Friends or relatives ask to leave	26
End of private rent	23
Domestic Abuse	9
Family breakdown	5
End of Social Rent	4

**Table 4**

- 3.8 There have been rising evictions from private rented housing over the past two years, coupled with the scarcity of suitable homes as a result of economic factors such as rising interest rates, high inflation and some landlords switching to short-term lets, such as Airbnb.
- 3.9 There are further considerations in respect to households who may be affected by more than one reason in becoming homeless, these can be captured under the following points;
- Domestic Abuse Act 2021
  - Care Leavers Protocol
  - Prison Leavers Protocol
  - Asylum Seeker Dispersal Scheme
  - Afghan Resettlement Scheme
  - Homes for Ukraine
  - Emergency legislation for UK nationals and eligible groups fleeing conflict zones

#### 4. Cost and Funding Temporary Accommodation

- 4.1 The cost of bed and breakfast accommodation has fluctuated over the last four years, as illustrated in table 5, but is generally on the rise. This is due to the increase in number of people approaching the Council as Homeless and who are accommodated whilst their homelessness is investigated.
- 4.2 It is expected that the expenditure will reach £594K by the end of 2023-24. This represents an 84% increase on last years' expenditure and a 123% increase on 2021-22 spend. The estimated amount for 2023-24 is aligned to the mid-year Housing Benefit Subsidy Claim 2023/24.

Cost of Emergency Accommodation	£	
2020-21	295,809	
2021-22	266,188	
2022-23	322,104	
2023-24	594,000	Estimated

**Table 5 Emergency Accommodation Costs (B&B/Hotel)**

- 4.3 In addition to these costs the Council is committed to paying approximately £93k in rent for the Council owned and Private Sector properties it uses as temporary accommodation families as outlined in table one
- 4.4 Temporary accommodation is managed as a trading account reflecting the Government set model for its provision with the Council paying money to suppliers for accommodation and charging the homeless households rent for the property, which can be claimed, if eligible, from housing benefits. Within the trading account, the full amount of the accommodation costs is recovered through Housing Benefit if eligible.
- 4.5 The Housing Team are proactive in supporting homelessness tenants in making prompt claims for Housing Benefits. This limits the exposure the service has to accommodation costs not being recovered by Housing Benefit in the trading account. There is only a small deficit on the trading account due to some costs being incurred that are on cases that are found not to be eligible for housing benefit and cost recovery is sought from individuals directly.
- 4.6 However, the cost of the housing benefit paid to the trading account impacts on the Council's net cost of benefit budget that is held within the Revenues and Benefits service area. In principle housing benefit payments are recovered by receiving housing benefit subsidy(grant) from Central Government, however there are limits on the level of subsidy

that can be claimed and therefore costs above these levels are not eligible for the subsidy and the Council has to fund these costs.

- 4.7 The level of subsidy for households is through a Government set formula of 90% of the 2011 Local Housing Allowance subject to a cap of £500 per week.
- 4.8 This formula has remained unchanged since 2011 notwithstanding the increase in private sector market and management costs. As a result, given the statutory duty to provide suitable accommodation and the challenges of sourcing this within the current market, there is a deficit on the net cost of benefit budget due to temporary accommodation, which is a direct cost to the general fund.
- 4.9 It is estimated that the gross cost to the Council associated with temporary accommodation by the end of 2023-24 will be £625K.
- 4.10 It is likely that the Council will receive partial subsidy of £163K. This will result in the Council having to fund the remaining £462K.

## **5. Temporary Accommodation Future Provision**

- 5.1 As part of the strategy to manage the need for temporary accommodation the Housing Options Team have set out a realistic and sustainable approach managing temporary accommodation. This is achieved in several ways:
  - robust operational homeless prevention strategies
  - review the procurement of temporary accommodation
  - increase management of all units of temporary accommodation
  - develop a policy on the use of Council housing as temporary accommodation
- 5.2 The team will strengthen their partnerships with supported housing providers to reduce the need of temporary accommodating homeless people who have identified support needs. In addition, the team will formalise nomination agreements with social housing providers who have housing stock in the borough.
- 5.3 Consideration should be given to widening the Council's hostel portfolio. This can be achieved in several ways, including, agreeing a lease with a landlord who has houses of multiple occupation. Options will be appropriately costed and assessed for suitability and financial sustainability.
- 5.4 The Housing Options Team will also develop a rent guarantee scheme, with the primary purpose of encouraging private sector landlords with houses in multiple occupation, to accept single people who have been made homeless as tenants.
- 5.5 With the implementation of these strategies, processes and procedures this should enable the Council to make best use of the resources available and to be as effective and efficient in the management of its homelessness duties.