

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Housing Services Cabinet Committee

Date: 19 March 2024

Reporting officer: Vicky May, Head of Housing Solutions

Subject: Temporary Accommodation Update

Purpose and summary of report:

This report is to inform the Housing Services Cabinet Committee of the current national and local climate in relation to temporary accommodation and associated spend, the impact this is having on the organisation and to outline what the service has been doing to mitigate the impact and what it intended to do in the future.

Recommendations:

1. For information only.

| Key Implications: | |
|------------------------------------|---|
| Item | Implications |
| Legal | The council has a statutory duty to provide temporary accommodation under the Housing Act 1996 (amended 2002). The content within this report does outlines areas that have been achieved and will be worked on the prevent homelessness. |
| Finance and Value for Money | The report is intended to provide information demonstrating why interventions are in place and planned to reduce the use of nightly paid accommodation. There is a ringfenced Homeless Prevention Grant that can be utilised to ensure focus is on homeless prevention. |
| Corporate Plan | In line with the objectives of the Corporate Plan 2023-27 strategic objective #one community an active, engaged and culturally enriched population, built on the foundations of an affordable and quality local housing offer and One Council: a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact. |
| Climate Change | With any accommodation offer the Council will ensure to focus on homes that have an EPC rating of E or above. |

1. National Context

- 1.1 Temporary Accommodation is the term used to describe accommodation secured by a local housing authority under their statutory homelessness functions. The majority of households in temporary accommodation have been placed under the main homelessness duty, but temporary accommodation is also provided during the relief stage to households who the local authority has reason to believe may

- have priority need, or on an interim basis in other circumstances such as pending the outcome of a review on a homelessness decision.
- 1.2 It is not uncommon for councils to spend on temporary accommodation however this has increased tenfold or more since 2012. A growing number of councils are spending millions of pounds a year on temporary accommodation. Recently, Inside Housing reported that London Boroughs spending on temporary accommodation grew by almost 40% in the last year resulting in London boroughs spending £90m per month to accommodate homeless households.
 - 1.3 On 30 September 2023, across the UK, there were 109,000 households in temporary accommodation which is a 3% increase from the previous quarter.
 - 1.4 Of the households in temporary accommodation, 14,880 were living in bed and breakfast (B&B) accommodation, increased by 30.0% from the same time last year. Of these households the number of households in B&B with dependent children increased 65.4%.
 - 1.5 Of the households with children in B&B, 2,680 had been resident for more than the statutory limit of 6 weeks. This is an increase 121.5% compared to the same quarter in 2022.
 - 1.6 In addition to the increase demand for temporary accommodation, rough sleeping has increased by 27% following the annual street count at the end of 2023 and it is reported in Inside Housing that it is unlikely to be the 'peak of the crisis', this is despite the governments plans to end rough sleeping by 2027.

2. Districts context

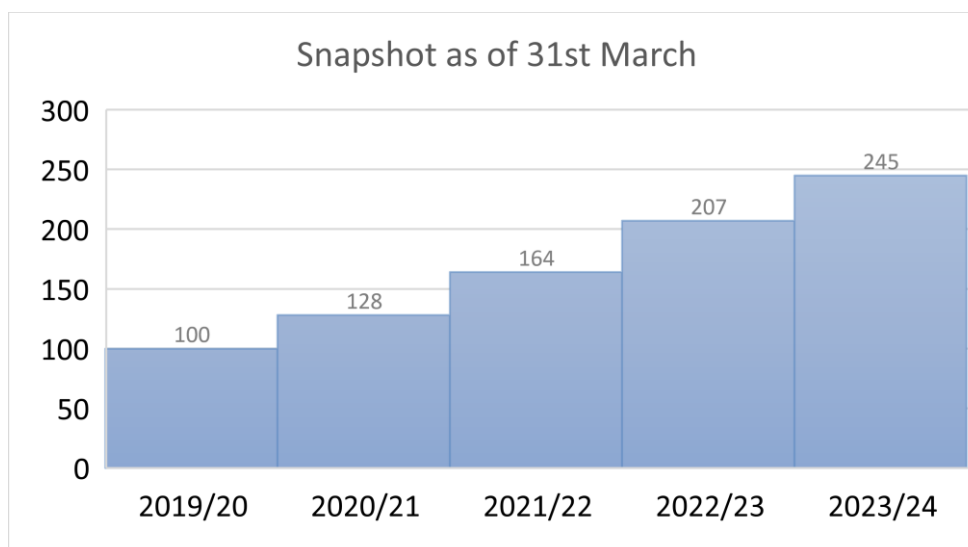
- 2.1 A recent report by the District Council Network highlighted, as of June 2023, the number of households in temporary accommodation in district areas had risen by 16% compared to the same time in 2022. In addition, there were over 1,550 more households with children in temporary accommodation which is a 24% increase compared to the same period in 2022.
- 2.2 Between January and September 2023, the number of households in district areas presenting as homeless on the day had increased by 14% compared to the same period in 2022. There has also been a 10% increase in housing registers between 2020 and 2023 meaning almost 31,000 additional households are now waiting to access social housing.
- 2.3 Despite Autumn Statement measures, the cost of temporary accommodation and homelessness services threatens the financial sustainability of some councils and puts them at risk of having to issue section 114 notices. Total district council spend on TA was £216m in 2022-23. This compares to £66m in 2017-18 i.e. an increase of 228% over 5 years.
- 2.4 The DCN survey shows that Housing Benefit subsidy now covers just 38% of district councils' temporary accommodation costs on average. In some cases, it is less than 20% dependent on the area. This compares to around 90% in 2011 when the cap was introduced. Below demonstrates the average nightly paid rate compared to the LHA rate claimed, subsidy loss to demonstrate the true loss to Gravesham per week per placement.

| Size | Average nightly paid cost PW (£) | Weekly LHA Rate PW from 1 April 2024 (£) | Subsidy received | Total Loss to GBC PW |
|-----------|----------------------------------|--|------------------|----------------------|
| 1 bedroom | £287.00 | £172.60 | £120.00 | £167.00 |
| 2 bedroom | £357.00 | £228.99 | £150.00 | £207.00 |
| 3 bedroom | £413.00 | £276.16 | £173.08 | £239.92 |
| 4 bedroom | £448.00 | £333.70 | £242.31 | £205.69 |

- 2.5 In these and other cases, TA costs will force councils to cut other valuable services. That will include the services that help to prevent or mitigate homelessness in the first place – and thereby creating a vicious circle.
- 2.6 This will undermine district council efforts to improve health, social and economic outcomes for their residents and increase the need for more expensive interventions by the NHS and other parts of the public sector.

3. Impact and demand in Gravesham

- 3.1 Over the last five years Gravesham have seen a significant increase in homelessness and demand for temporary accommodation. The table below sets out a snapshot of temporary accommodation placements for each of the financial years.



- 3.2 1,727 households approached the Housing Options service between April 2023 – Feb 2024 claiming to be homeless or in threat of becoming homeless. Of these approaches and subsequent assessments, 188 new temporary accommodation placements were made as, following a robust assessment, officers were satisfied that the households were eligible, homeless and in priority need.
- 3.3 Since April 2023 there has been a steady increase in the numbers of households requiring temporary accommodation and a consistent reliance on nightly paid which is the most expensive forms of temporary accommodation.
- 3.4 Gravesham currently has 245 households in temporary accommodation of which there are 130 households in nightly paid accommodation by various providers. There are currently 37 households out of the Gravesham borough with an aim (where appropriate) to bring them back into borough if and when suitable housing

is found. Gravesham predominately use self-contained units and for some single households, shared HMO accommodation is utilised. The table below set out the number of households in accommodation in different property sixes.

| | | | | |
|-------|-------|-------|-------|-------|
| 1 bed | 2 bed | 3 bed | 4 bed | 5 bed |
| 46 | 130 | 49 | 17 | 3 |

3.5 The cost of temporary accommodation is monitored regularly and reported monthly. There have been considerable efforts in ensuring the service maximises income also. In terms of the average cost of nightly paid accommodation below outlines the average weekly cost per unit. Below provides the expenditure and income from 2020/21 compared to now.

| | Cost of TA | HB Income | Net Spend |
|---------|------------|-----------|------------|
| 2020/21 | £357,466 | £108,360 | £249,106 |
| 2021/22 | £753,464 | £198,652 | £554,812 |
| 2022/23 | £1,851,818 | £383,035 | £1,468,783 |
| 2023/24 | £2,185,996 | £635,990 | £1,550,006 |

3.7 There are historic and current difficulties in accessing private sector properties locally and affordability remains a barrier for residents. Therefore, as demand increases, the service have been reliant even more on nightly paid accommodation providers to provide good quality temporary homes.

4. Homeless Challenges

4.1 There are a number of factors that have impacted the Councils temporary accommodation figures and the main reason for a household approaching Gravesham for assistance is exclusion from friends and family, end of a tenancy in the private sector and fleeing domestic abuse. These three themes are mirrored nationally, however not necessarily in that order. There are additional impacts including:

4.1.1 The Domestic Abuse Act 2021 – This important Act was introduced on 5 July 2021 and since this time the Council has been more victims step forward due to fleeing domestic abuse. Within this financial year the service had had 23 households presenting to the Council with the main reason of losing their last settled accommodation being domestic abuse or violence

4.1.2 Private Sector Evictions - The governments lift on the eviction ban saw an increase of notices and evictions taking place. However, since this lift, the market has been challenging with increase of mortgage rates that have subsequently been placed on the tenant through their rent making the pressure to afford and keep homes difficult for vulnerable households. In addition, the Renters Reform Act also places requirements on landlords, and it is evident that landlords are starting to come out of the market thus creating homelessness.

4.1.3 Closure of Supported accommodation – Gravesham have lost 13 units of supported accommodation within the borough through the end of the Kent Homeless Connect Contract. In addition, the House of Mercy are closing their

supported accommodation for single homeless households which our intervention was key to avoid rough sleeping increasing.

- 4.1.4 Asylum pressures – As Ukrainian host placements come to an end or relationships break down there are fewer rematching opportunities, and the service are starting to see more approaches from this cohort of people.
- 4.1.5 Procurement of Homes within the borough- The Home Office is currently utilising The Granby Hotel and has up to 70 bedspaces available. There have been a few approaches from households when their asylum decision is reached, and their support come to an end. However, the larger scale issue is Clear Springs and Mears procuring homes within the borough and over the last few months it is evident that sourcing accommodation is a key priority to house asylum families.
- 4.2 The examples above demonstrate just some of the pressures that the service has to deal with. This excludes hospital discharge, prison leavers, closure of accommodation through Private Sector Housing and generic homelessness daily pressures.
- 4.3 As the impact of increased demand for temporary accommodation became more and more acute in the last financial year, against the backdrop of an already challenging budget situation corporately, a short term strategy was introduced to mitigate the financial impact to the council and since this time, officers have been working with various internal colleagues, Members and external stakeholders to progress the strategy, which by December 2023 had started to have an impact as the Council's spending on temporary accommodation was the lowest it had been for the current financial year, despite the number of households in TA increasing.

5. Progress on Mitigating the Impact

- 5.1 This report outlines the short-term strategy that was created to reduce the dependency and use of nightly paid accommodation, which was outlined in an update to Cabinet in the Quarter 2 budget monitoring report. The short-term strategy committed to progressing five different elements as follows:
 - 5.1.1 To increase the use of council owned stock as temporary accommodation.
 - 5.1.2 To progress and introduce a social letting agency.
 - 5.1.3 To actively purchase development schemes nearing completion to use as council owned temporary accommodation.
 - 5.1.4 To work with local housing providers to access their accommodation (Henry Pinnocks and Elizabeth Huggins)
 - 5.1.5 To work with local housing associations to access their accommodation (Moat Housing)
- 5.2 The latest budget monitoring report shows that spend on nightly paid accommodation decreased over the last two months and below is an update on each of the actions.

5.2.1 Council-owned Stock

The service has historically utilised a small number of social housing units for the purpose of temporary accommodation. The service, of course, wants to get to a position where there is no reliance on this form of housing

however, whilst Gravesham are experiencing such acute budget pressures, the use of this has increased. Officers continue to review the number of empty properties coming into the service and the priority is to ensure a consistent supply of homes being advertised on KentHomeChoice for those households with an identified need on the housing register. In February 2023 there were 90 council lets being utilised and this has increased by 27% by February 2024. When considering the average length of stay in nightly paid (29 weeks), these additional 25 units have saved the Council money as demonstrated in the chart below:

| Property Size | Average weekly cost (£) | Average length of stay | Total cost per household |
|---------------|-------------------------|------------------------|--------------------------|
| 1 bedroom | £287.00 | 29 | £ 8,323.00 |
| 2 bedroom | £357.00 | 29 | £10,353.00 |
| 3 bedroom | £413.00 | 29 | £11,977.00 |
| 4 bedroom | £448.00 | 29 | £12,992.00 |

5.2.2 GBC Lettings

GBC Lettings went live at the end of October 2023 with the aim to increase access to private sector properties. In the business case to get approval to create the lettings agency, it was estimated that the service would secure access to 20 private sector properties in the first year. GBC Lettings have secured nine properties to date and are ahead of target to meet the estimated number. Households placed into these properties are taken from nightly paid accommodation. It is worth noting that the service has had to decline four homes due to the quality or condition of the unit and referrals have been made to the Private Sector Housing Team. It is estimated that this service has already saved Gravesham nearly £55,000 based on the average length of stay in temporary accommodation.

GBC Lettings has also attracted a number of developers and senior management have commenced conversations with developers who have purchased a large unit within the Borough and want to work with the authority to regenerate through repurposing. This could potentially create up to 60 mixed sized units and provide security and a long-term housing option within the borough that the Council would manage through GBC Lettings.

5.2.3 Purchasing Development Schemes

The housing service are also considering longer-term action, which was to purchase properties from the open market. One option is still being progressed will provide 19 x 2-bedroom units. As 2 bed needs makes up 54% of all households in temporary accommodation, it is vital that opportunities around this size accommodation are taken where it is financially viable. This acquisition should complete soon, and 19 households will be taken out of nightly paid accommodation, saving the Council £196,707 based on the average stay in nightly paid accommodation.

5.2.4 Elizabeth Huggins

The Housing Service has been working with Elizabeth Huggins for several years, mainly concerning their redevelopment and they successfully completed phase 1 of their scheme last year, however, phase 2 has stalled

due to funding issues. The delay resulted in nine bungalows on the site being left vacant, vulnerable to vandalism and a magnet for antisocial behaviour. The charity did plan on demolishing the bungalows until the funding gap for phase 2 had been resolved, but the demolition of the bungalows would have diminished the land value, making it harder to attract further funding. Therefore, the charity was advised to leave the bungalows intact to protect the land value whilst the funding issues were resolved. This also impacted the charity financially due to no rental income and when comparing this to the housing challenges it was agreed that Gravesham would assess the nine units for suitability for the purpose of temporary accommodation. Unfortunately, of the nine vacant units, only six could be used as it was not financially viable to undertake costly capital works to three of the units, and whilst some investment was needed for the six units Gravesham are using, it still represents a saving of £20,000 for Gravesham and ensures some cut needed revenue for the charity. All six units are occupied and inspected quarterly. Officers continue to work with Henry Pinnock's who are committed to assist the local authority reduce numbers in temporary accommodation and are looking to support the council with the purchase of a larger scale development scheme that will be provided to households at an affordable rent level.

5.2.5 Work with Moat Housing

The Head of Housing Solutions has been working with Moat Housing who relied on Gravesham Council's support when fire safety issues were identified within a block they own in the borough. Due to the unknown and potential severity of the fire safety issues, some residents had to be moved out. Gravesham assisted with this and helped to find alternative social housing that was suitable for their needs, on the understanding that once the fire safety issues had been addressed, they would ringfence a large proportion of units for Gravesham to move people out of nightly paid accommodation and into their units. The service is now at the stage of identifying suitable candidates for up to 15 units of accommodation. This will take households out of expensive nightly paid accommodation and the target for completion is 1 May 2024. Based on the 15 units this will save the Council £142,709 in nightly paid costs based on average length of stay.

- 5.3 Research has been carried out with neighbouring boroughs to identify what, if any, preventative measures are being implemented to prevent applicants going into temporary accommodation where families are no longer willing to continue to accommodate. Of the 2783 in temporary accommodation across the County, 635 households (23%) had stated that their main reason for loss of accommodation was that family were no longer willing or able to accommodate. Every Council who responded identified an increase in this type or approach and were considering whether additional preventative options could be adopted.

6. Further Opportunities and Longer-Term Planning

- 6.1 The Housing Service is continually adjusting the service to ensure that early intervention takes place to increase prevention activities. Given the analysis for reasons of homelessness from the 1 February the service has increased seeing customers face to face when claiming homelessness on the day and insisted that those households who claim they are being excluded from family or friends attend an interview face to face. In addition, there are additional checks being carried out around the excluder to ensure they are verified as the main tenant/owner of the property (so has the right to request exclusion) and they will also be invited to the interview. This has proven to be more meaningful interaction and enables

officers to manage expectations more effectively with both the homeless household and the excluder.

- 6.2 Management Team have recently approved a mediation service that will focus on homeless prevention and is currently being sought through existing providers. Officers are testing the market to ensure we obtain a bespoke service tailored towards family and friend exclusion and is reviewing quotes to ensure value for money. This will be used as a homeless prevention tool and the aim is to pilot 50 cases and once implemented the service can measure the success.
- 6.3 Management Team have also agreed to temporarily increase the resource within the team through internal secondment opportunities. Therefore, two Housing Liaison Officers have been advertised with one member of staff due to commence soon. The main focus will be to take on prevention cases to keep households in their home. This could be via negotiations with a private landlord and offering GBC Letting Services, to keeping people at home with parents outlining the impacts and interventions that can take place pending finding a new home.
- 6.4 The Temporary Accommodation Team recruited a specialist Income Officer to ensure the service maximises the income from temporary accommodation. There has been significant work carried out with Housing Benefit team to ensure claims are processed quickly and capture all the evidence needed at the first point of contact. This has proven to increase income. At budget setting for 2023/24 it was predicted the income would be £297,000. However, due to these changes our income for nighty paid accommodation by year-end is predicted to be in the region of £880,450. Unfortunately, due to subsidy rules around temporary accommodation, the Council will only receive 90% of the 2011 local housing allowance rate, meaning Gravesham will lose around £293,00 of the funded claim.

7. Conclusion

- 7.1 All officers within the housing services are actively progressing various work streams to mitigate the financial impact on the council, but as quick as solutions are found, the demand increases.
- 7.2 The Head of Housing Solutions has attended various forums that are lobbying to government to bring about change and whilst the increase of local housing allowance on 1 April 2024 is positive, it is only addressing part of the issues. The biggest impact to all local authorities are the subsidy rules around temporary accommodation.
- 7.3 The Head of Housing Solutions will continue to regularly report to management team on the progress of these initiatives, and all officers are actively considering new and sometimes creative solutions in addition to what we are already doing.

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| Secondary Implications | |
|------------------------|---|
| Risk Assessment | <i>There are financial consequences if the council do nothing and therefore it is essential that options are considered to determine which may be invested.</i> |

| | |
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| Data Protection Impact Assessment | A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process. |
| | Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? No |
| | A definition of each type of data can be found on the Information Commissioner's Office website via the above links. |
| | No |
| Equality Impact Assessment | If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? No |
| | If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. |
| | |
| Crime and Disorder | <i>The provision of suitable TA enhances the council's ability to meet the needs of homeless households and helps prevent them being victims of crime or becoming involved in criminal activities</i> |
| Digital and website implications | N/a |
| Safeguarding children and vulnerable adults | <i>The provision of suitable options will contribute towards meeting the needs of / safeguard children and vulnerable adults.</i> |