

City of London Corporation Committee Report

Committee: Homelessness and Rough Sleeping Sub-Committee	Dated: 09/12/2024
Subject: Statutory Homelessness – Use of Temporary Accommodation Report	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024–29 outcomes • provides statutory duties 	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	NA
What is the source of Funding?	NA
Has this Funding Source been agreed with the Chamberlain’s Department?	NA
Report of:	Judith Finlay – Executive Director, Community and Children’s Services
Report author:	Sinead Collins – Senior Housing Officer Will Norman – Head of Homelessness Prevention and Rough Sleeping

Summary

This report provides Members with a summary of the City of London’s legal duty to accommodate households under the Housing Act 1996. The report sets out the legal basis for this and describes how demand for temporary accommodation has increased over recent years. The report also demonstrates the increased cost to the City of London in providing temporary accommodation.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

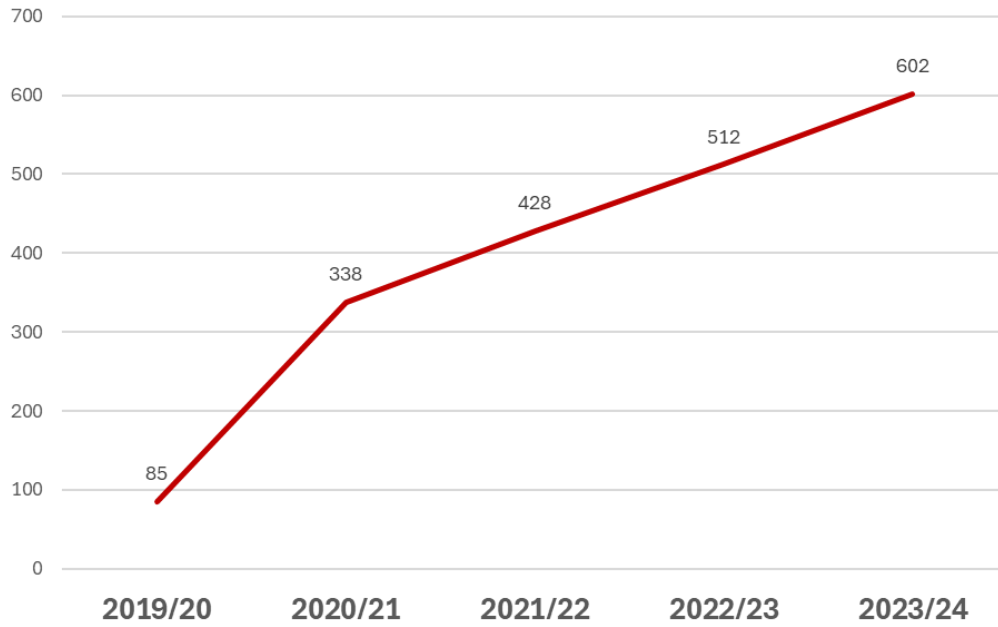
1. The Housing Act 1996, as amended by the Homelessness Reduction Act 2017 (HRA 2017) prescribes when an accommodation duty is triggered.
2. Section 188 of the Housing Act 1996 sets out an interim duty to secure accommodation where enquiries are being made into a homeless application. This duty arises when a local authority has reason to believe that an applicant may be homeless, eligible for assistance, and have a priority need.
3. Where a local authority has accepted a main housing duty to an applicant, Section 193 accommodation duty arises. This requires the local authority to ensure that the applicant has access to suitable temporary accommodation until the applicant is rehoused and the Section 193 duty is discharged.
4. If the local authority has notified an applicant that it proposes to refer the case to another local authority, the notifying authority has a duty under Section 199A to accommodate the applicant in temporary accommodation. The applicant stays in temporary accommodation until the conditions for referral are met and the receiving authority takes on the accommodation duty.
5. Where an applicant is dissatisfied with a local authority's Section 202 (S202) review decision, they have the right to appeal to the county court on a point of law arising from the review decision or original homelessness decision. The local authority can exercise a power to accommodate the applicant pending the outcome of the county court proceedings.
6. The City of London may also extend a discretionary offer of temporary accommodation to rough sleepers on an emergency and interim basis for a period of assessment to establish eligibility entitlement and move-on accommodation options. This option is also used to add additional, flexible capacity to alleviate emergency pressures, such as Severe Weather Emergency Protocol.

Current Position

7. Due to the new and increased duties prescribed by the HRA 2017, we have seen a significant increase in demand for homelessness assistance since the introduction of the Act in April 2018 (see Graph 1).
8. As a result of the increase in approaches for homelessness assistance, the City has seen a steep increase in the need for suitable temporary accommodation (see Graph 2). This has been challenging for a number of reasons.
9. We have prepared this report to inform Members of the reasons for, and impact of, these increased duties. The report also demonstrates how the City has adapted to manage the increase in demand.

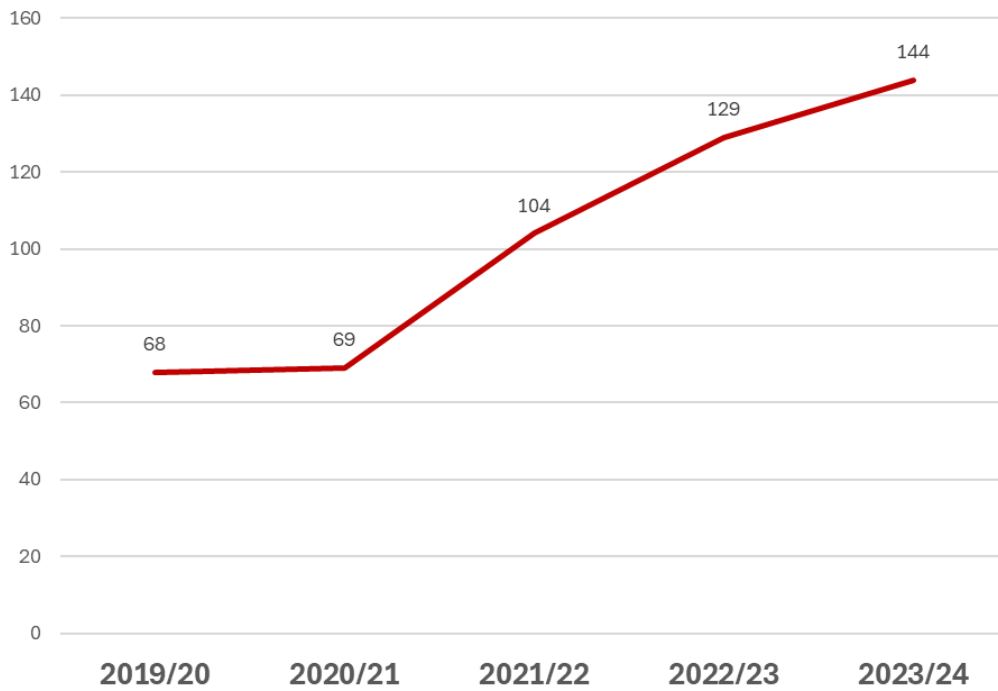
Graph 1

Approaches for Emergency Housing Assistance



Graph 2

Temporary Accommodation Placements



10. Graph 1 shows the rate at which potential applicants are contacting the City of London for advice and assistance due to a housing emergency. City of London officers have a duty to provide this assistance. While many of these contacts do not progress into legal duties, this trend is a helpful indication of the increase in demand which the sector is seeing. The data in Graph 1 represents a 608% increase in five years.
11. Graph 2 shows the number of households placed in temporary accommodation. The graph relates more closely to the content in this report and shows the increasing trend over five years.
12. For context, the following has been reported by London Councils on behalf of the 33 local authorities in Greater London:
 - Homelessness presentations continue to increase year on year, rising by 658 (9.1%) in July 2024 compared to a year earlier, based on data from 27 local authorities.
 - The number of households living in temporary accommodation in July 2024, reported by 27 local authorities, increased 10.2% to 61,423, in comparison to the same month of 2023 for which 55,726 households were reported, increasing by 5,661 households.
 - Data from 24 local authorities shows that the gross total monthly temporary accommodation spend for July 2024 is up 35.4% on the year before, reaching £93.1 million.
13. We have seen a reduction in the availability of suitably affordable accommodation for homeless households, particularly in the City of London and Greater London, due to the high rental costs. It is often difficult to manage the expectations of the increasing number of applicants.
14. The City has developed a local Temporary Accommodation Allocations Policy which outlines how we procure temporary accommodation and how we assess suitability. We ensure that applicants are placed in temporary accommodation within a reasonable distance to work, schools, and support networks.
15. Due to the unique nature of the City of London and the smaller number of approaches in comparison to other London local authorities, it is not cost effective for the City of London to lease properties for the use of temporary accommodation. This is because it is likely that rooms would remain empty while we continue to be subject to their rent costs. To maintain flexibility, we use temporary accommodation which is let at the more expensive nightly paid rate.
16. The length of time a household spends in temporary accommodation depends on which other legal duties are owed to the applicants.
17. Under the new duties in the HRA 2017, priority need households are offered temporary accommodation during the 56-day relief duty before the council consider

accepting the full housing duty. During this time, the household is likely to be placed in temporary accommodation.

18. The full housing duty is a requirement to provide temporary accommodation until such time as the duty is ended, either by an offer of settled accommodation, or for another specified reason. Settled accommodation may be social housing via the housing register, private sector housing, sheltered accommodation, or other suitable housing provisions.
19. For several reasons, we have faced challenges in sourcing suitable temporary accommodation across the homelessness sector.
20. In response to the COVID-19 pandemic, on 26 March 2020 the Government introduced the 'Everyone In' scheme. The Government asked local authorities in England to "help make sure we get everyone in", including those who would not normally be entitled to assistance under homelessness legislation. Some individuals placed in temporary accommodation were affected by furlough and their earnings were reduced. However, temporary accommodation was offered regardless.
21. The consequence of the cost-of-living crisis across the UK on households' finances and ability to cover their rental costs led to an increase in evictions and applicants asking for homelessness assistance.
22. The Domestic Abuse Act 2021 widened the definition of domestic abuse and placed further duties on local authorities to support victims seeking housing assistance. Under the Act, a person who is homeless as a result of being a victim of domestic abuse has an automatic priority need for accommodation and will be placed in temporary accommodation.
23. Due to the imminent introduction of the Renters Reform Bill, a significant number of private sector landlords have withdrawn their rental properties from the market. The Bill seeks to increase the rights of tenants, bans no-fault evictions, and intends to remove rogue landlords from the private rented market.
24. We have also seen a drive across the sector to increase building standards, which includes temporary accommodation. The Setting the Standard (STS) scheme is a Pan-London initiative focused on improving the quality of temporary accommodation provisions across London. The STS scheme deploys qualified Environmental Health Officers to inspect temporary accommodation properties. Where a property is assessed to be below acceptable standards, notifications are sent to all London local authorities to ensure that these properties are not re-let to homeless applicants.
25. The Home Office has increased demand on temporary accommodation providers. In some cases, it has taken provision away from the homelessness sector to accommodate the rising levels of National Asylum Support Service (NASS) leavers and arrivals from Ukraine and Afghan schemes.

26. The recent Early Prison Release initiative has also led to a requirement for probation services to seek and secure temporary accommodation for ex-offenders. This has also taken provision away from the homelessness sector.
27. In considering the increased demands for temporary accommodation and the difficulties sourcing suitable properties, the City sought and identified a temporary accommodation procurement and booking platform, Adam Housing.
28. In September 2024, the City moved to Adam Housing as its primary procurement vehicle for temporary accommodation. Adam Housing is a procurement framework which allows the City to procure temporary accommodation on a nightly rate basis from a list of accredited providers. The City is contracted to Adam Housing and not the provider.
29. The Adam Housing platform enables us to access extra temporary accommodation properties at more competitive rates. This will reduce difficulties in sourcing better quality temporary accommodation and reduce the City's overall cost for temporary accommodation.
30. To help the team adapt to increasing demand, additional capacity has been created through recruitment to new posts. Since 2019/20a Triage Officer post was added to strengthen our customer service functions and free up caseworker time. A Senior Housing Officer post has been created to add management oversight, and an additional Housing Officer post has been created. The current service consists of one Senior Housing Officer, two Housing Officers and a Triage Officer.

Options

31. There are no options for Members to consider.

Proposals

32. There are no proposals for Members to consider.

Key Data

33. The table below shows the total upfront cost to the City of London (Homelessness and Rough Sleeping budget) of providing temporary accommodation to households eligible under the Housing Act 1996, and rough sleepers placed on a discretionary basis.

	2021/22	2022/23	2023/24	2024/25 YTD
Upfront temporary accommodation costs	£562,409	£853,276	£1,029,756	£519,579

34. The figures above are derived from the nightly rate fees charged by our temporary accommodation providers which the City of London must pay to fund the placement. Approximately 80% of this cost is recovered through Housing Benefit, and some discretionary spending on rough sleepers is funded through the Rough Sleeping Initiative grant.

Corporate & Strategic Implications

- 35. Strategic implications – None
- 36. Financial implications – None
- 37. Resource implications – None
- 38. Legal implications – None
- 39. Risk implications – None
- 40. Equalities implications – None
- 41. Climate implications – None
- 42. Security implications – None

Conclusion

- 43. The City of London's duty to place individuals and households in temporary accommodation falls under Sections 188, 913 and 199A of the Housing Act 1996. Also, the City of London places rough sleepers in temporary accommodation on a discretionary basis as a way of adding flexible capacity to our rough sleeping pathway, and to help alleviate winter pressures.
- 44. The number of people seeking advice and guidance has increased sixfold (608%) since 2019/20. This can be accounted for by changes to the law implemented by the commencement of the Homelessness Reduction Act in 2018, and an increase in the number of people experiencing housing jeopardy.
- 45. The number of households placed in temporary accommodation has increased by 111% since 2019/20. This figure represents the number of households eligible for assistance from the City of London, and where homelessness has not been prevented.
- 46. In 2023/24, the City of London spent £1,029,756 securing temporary accommodation. This is almost double what was spent in 2021/22 (£562,409). The increase reflects rising demand and the rising cost of temporary accommodation.
- 47. The Statutory Homelessness Team has adapted to increasing demand through the creation of new posts to maintain high customer service standards, and to add management oversight and casework capacity.

Appendices

- Appendix 1 – City of London Temporary Accommodation Allocations Policy

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