

## City of London Corporation Committee Report

<b>Committee:</b> Homelessness and Rough Sleeping Sub-Committee	<b>Dated:</b> 14/05/2025
<b>Subject:</b> Statutory Homelessness and Rough Sleeping Service – Use of Temporary Accommodation Report	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024–29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> </ul>	Providing Excellent Services
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	NA
<b>What is the source of Funding?</b>	NA
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	NA
<b>Report of:</b>	Judith Finlay – Executive Director, Community and Children’s Services
<b>Report author:</b>	Will Norman – Head of Homelessness Prevention and Rough Sleeping

### Summary

This report provides Members with a summary of temporary accommodation (TA) usage under s.188 and s.193 of the Housing Act 1996 and on a discretionary basis as a measure for the relief of rough sleeping. This report follows on from a similar report presented to Members at the December Homelessness and Rough Sleeping Sub-Committee.

The report provides Members with a fuller breakdown of household composition and an indication of the changing cost of procuring TA for the financial year 2024/25.

### Recommendation

Members are asked to:

- Note the report.

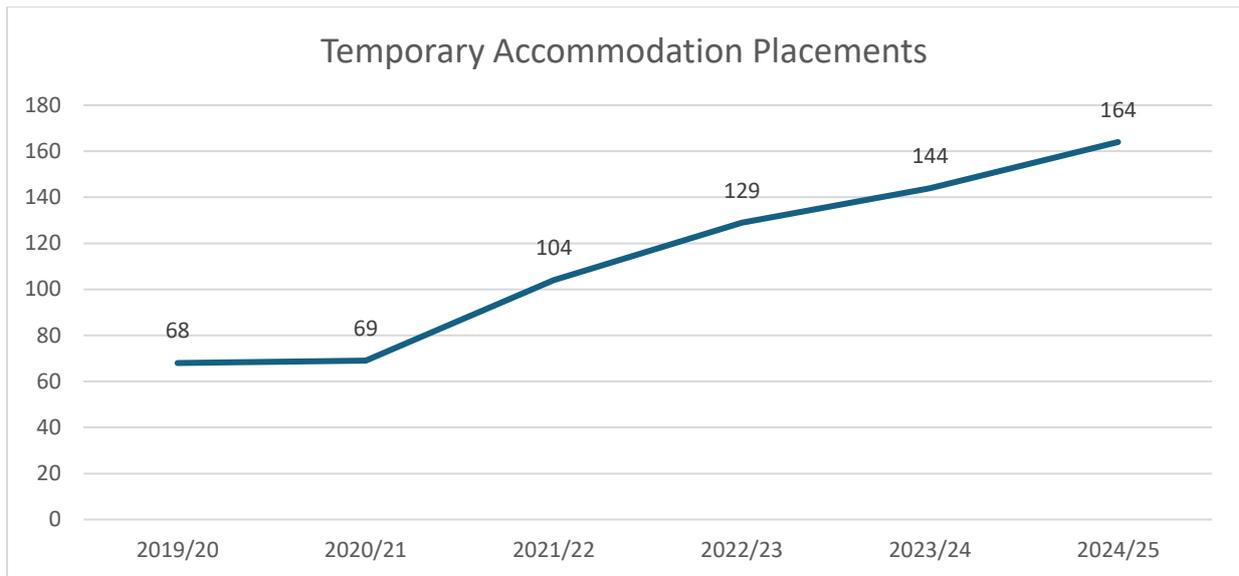
# **Main Report**

## **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 TA until the applicant is rehoused and the Section 193 duty is discharged.
4. The City of London may also extend a discretionary offer of TA 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.
5. New and increased duties prescribed by HRA 2017 have resulted in a steady increase in demand for homelessness assistance since the introduction of the Act in April 2018.
6. For the purposes of this report, 'household' is a term used to describe any TA placement regardless of composition or size.

## **Current Position**

7. The City of London has seen a steady increase in the number of TA placements over the past five years (see chart below). This is driven by an increase in the number of eligible approaches and rough sleeping levels in the Square Mile.



8. For context, the following data (for the latest available reporting period) has been reported by London councils<sup>1</sup> on behalf of the 33 local authorities in Greater London:

- Homelessness presentations continue to increase year on year, rising by 584 (7.5%) in September 2024 compared to a year earlier, based on data from 27 councils.
- Reported by 27 councils, in the year between September 2023 and September 2024, the number of households living in TA increased from 55,050 to 60,866 households – an increase of 5,815 households (10.6%) since September 2023).
- The total number of TA units being used by councils, based on data from 29 respondents, is up 11.6% from September 2023.
- Data from 26 councils shows the gross total monthly TA spend for September 2024 is up 15.46% since the year before, reaching £97.6 million.

9. We have seen a reduction in the availability of suitably affordable accommodation for homeless households, particularly in the City of London and Greater London. This is due to high rental costs.

10. The Inter-Borough Accommodation Agreement (IBAA) annual report for 2023/24 shows that Greater London councils are placing households outside of the London region more frequently – 166% increase (1221 in Q4 2023/24 from 458 in Q4 2021/22).<sup>2</sup>

11. The City uses a local Temporary Accommodation Allocations Policy which outlines how we procure TA and assess suitability. We ensure that applicants are placed in TA within a reasonable distance to work, schools, and support networks. A copy of this policy can be found at Appendix 1.

<sup>1</sup> Homelessness and Temporary Accommodation Dashboard Sept 2024 (published January 2025)

<sup>2</sup> IBAA Report on annual and quarterly data to Q4 2023/24 – Commissioning Alliance

12. Under the new duties in HRA 2017, priority-need households are offered TA 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 TA. This is known as the s.188 duty.
13. The full housing duty is a requirement to provide TA 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. This is known as the s.193 duty.
14. 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 TA.
15. The imminent introduction of the Renters Reform Bill may have led to some private sector landlords withdrawing 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.
16. We have also seen a drive across the sector to increase building standards, which includes TA. The Setting the Standard (STS) scheme is a Pan-London initiative focused on improving the quality of TA provision across London. The STS scheme deploys qualified environmental health officers to inspect TA 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. The City of London is part of the STS scheme.
17. The Home Office has increased its use of TA. 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 the Ukraine and Afghan schemes.
18. The recent Early Prison Release initiative has also led to a requirement for probation services to seek and secure TA for ex-offenders.
19. The table below shows the total upfront cost to the City of London (Homelessness and Rough Sleeping budget) of providing TA to households eligible under the Housing Act 1996, and rough sleepers placed on a discretionary basis.

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Upfront TA costs	£562,409	£853,276	£1,029,756	£1,716,131

20. The figures above are derived from the nightly rate fees charged by our TA providers which the City of London pays to fund the placement. Approximately 80% of this cost is recovered through Housing Benefit (HB), and some discretionary spending on rough sleepers is funded through the Rough Sleeping Initiative grant.
21. HB is payable by the City of London on all TA placements, regardless of whether they are within or outside the Square Mile. There is currently no TA available within our boundary. HB is awarded by the placing authority and recovered later from the Department of Work and Pensions (DWP). The DWP determine the amount they will re-imburse by using 90% of the January 2011 Local Housing Allowance (LHA) rate, these figures have not changed in some years despite the rising cost of TA placements. The HB subsidy is capped and any expenditure above this cap is known as the subsidy deficit.
22. Against the upfront cost of TA in 2024/25 of £1,716,131 – £1,326,267 was paid in HB (close to the 80% estimate) and £633,052 will be re-imbursed by the DWP in subsidy. This leaves a subsidy deficit for the City of London of £693,216.

### **Options**

23. There are no options for Members to consider.

### **Proposals**

24. There are no proposals for Members to consider.

### **Key Data**

25. Data tables can be found at Appendix 2 – Temporary Accommodation 2024/25. A summary of the data is as follows:
- 164 households were placed in the period – this includes households in TA on 1 April 2024 and households placed thereafter until 31 March 2025
  - 100% of these placements were within Greater London
  - 158 unique properties were sourced and used – six properties were used more than once
  - Hotels were used on two occasions.

### Table 1 – Reason for Placement

26. Under s.188 or s.193 duties, 70 placements were made. In addition, four placements were made on behalf of Adult of Children’s Social Care; one placement was made on behalf of the City Estates Team; 85 placements were made on a discretionary basis; and two placements were made into Sub-regional Immigration Advice Service (SRIAS) funded accommodation. On two occasions, a placement was made at the discretion of officers pending the outcome of a s.202 review.

### Table 2 – Household Composition

27. The vast majority of placements (142) were made for single people; 16 placements were families; and four were joint applications made by couples. Two placements were made for single pregnant women. In future we hope to improve the quality of our data by being able to break the family category down by exact composition.

#### Table 3 – Budget Area

28. A total of 72 placements were costed to the Statutory Homelessness team; 88 placements were costed to one of two budgets managed by the Rough Sleeping Team – 77 to the core rough sleeping budget and 11 to a grant funded budget. Adult and Children’s Social Care funded two placements and one placement, respectively, and a single placement is funded by the Estates team.

#### Tables 4 and 5 – Household Composition by TA Type

29. The type of TA used reflects the needs of the applicant and other qualifying factors such as Housing Benefit eligibility. A total of 125 placements were made into studios, the least expensive self-contained TA available; 17 placements were made into shared accommodation for people aged under 35 who had Housing Benefit capped at the shared facilities rate; seven placements were made into one-bed properties and 10 into two-bed properties. A single placement was made into a three-bed property and four into hotel rooms. Hotel placements are made under emergency, short-term conditions.

30. Of the seven placements into one-bed properties, four were for family households. Under the Homelessness Code of Guidance, children aged under 1-year-old are not counted. Children aged 1- to 9-years-old are counted as 0.5, meaning a one-bed property is suitable for an adult and a child aged under 9 years. An adult and two children aged under 9 years would require a two-bed property. All 11 placements into two- and three-bed properties were for families. All four hotel room and shared facility placements were for single applicants. One family was placed in a studio.

#### **Corporate & Strategic Implications**

31. Strategic implications – None

32. Financial implications – None

33. Resource implications – None

34. Legal implications – None

35. Risk implications – None

36. Equalities implications – None

37. Climate implications – None

38. Security implications – None

#### **Conclusion**

39. The City of London's duty to place individuals and households in TA falls under Sections 188 and 193 of the Housing Act 1996. The City of London places rough sleepers in TA on a discretionary basis as a way of adding flexible capacity to our rough sleeping pathway, and to help alleviate winter pressures. Placements are sometimes made on behalf of colleagues in Social Care and Housing.
40. The City of London placed 164 households in TA, using a total of 158 different properties. All placements were made with Greater London. The 2024/25 total of 164 is a 14% increase over 2023/24.
41. A total of 72 placements were made under statutory duties, and 88 placements were made on a discretionary basis, either as part of strategy for tackling street-based rough sleeping, or because officers exercised discretion in making a placement for a homeless household where no formal duty was owed, but the placement was deemed advisable.
42. A total of 142 single-household placements were made, with a further two for single, pregnant women. The remaining 20 placements were for families or couples.
43. In 2023/24, the City of London spent £1,716,131 securing TA. This is a £686,375 increase on the previous year.

## **Appendices**

- Appendix 1 – City of London Temporary Accommodation Allocations Policy
- Appendix 2 – Key data – Temporary Accommodation 2024/25

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