

Temporary Accommodation Analysis - December 2025

1 Purpose and context

- 1.1 This paper provides an analysis of the City Corporation's use of temporary accommodation for homeless households (TA) in 2024/25. It also sets out the cost of various forms of TA types that the City Corporation utilises, household types placed in TA and the associated outcomes.
- 1.2 The use of TA is driven by homelessness, whether visible on the streets or through approaches made to the City Corporation for assistance under the Homelessness Act. Therefore, fluctuations in use of TA are in large part a consequence of changes in the volume and complexity of need of households seeking help.
- 1.3 The overall level of TA used by the City Corporation is also impacted by the supply of accommodation supporting an exit from TA – whether to supported accommodation, social housing or private rented sector housing. Individual needs – such as accessibility requirements or the need for a large home – can further restrict the opportunity for move-on. For such reasons it is common for households across London and those placed by the City Corporation to spend very long periods in TA.
- 1.4 Outside of the City of London, the majority of households placed into TA by local authorities are those with dependent children. The most recent published government figures for England showing that 63% of all households in temporary accommodation have dependent children. In contrast, the large majority of households placed in TA by the City Corporation are households without dependents: (96%) in 2024/25. This reflects difference in the households seeking or needing help in the Square Mile – the majority of whom experience street homelessness.
- 1.5 Legislation (Homeless Reduction Act) provides local authorities with the power to place people into TA without a formal homelessness application or whilst assessing their application to prevent homelessness. These placements are known as 'discretionary placements' and are discussed in section 2 of this paper.
- 1.6 In some circumstances local authorities are legally obliged to provide TA. This is discussed in section 3 of this paper.
- 1.7 The cost of, and demand for TA, is a very significant financial burden to local authorities. In total across Greater London, local authorities are estimated to have spent £900 million in total on temporary accommodation in 2024/25 (according to London Councils), averaging £28 million per borough across the capital's 33 local

authorities. The City Corporation has seen year on year increases in spend on TA – spending £1.7m gross in 2024/25.

1.8 The increase in the use of TA is common across all London local authorities – notably in the last three financial years. Table 1 below shows that since 2022/3 the total number of households in TA has risen sharply by 23% to just under 70,000 in 2024/25. Over the same period the number of households placed in TA by the City Corporation has risen by 27% to 164.

Table 1: Total households in TA by financial year – selected London boroughs

Local authority	2020/21	2021/22	2022/23	2023/24	2024/25
Greater London	62,650	60,140	56,340	60,730	68,940
Newham	5,574	5,454	5,694	5,928	6,528
Hackney	3,307	No data	2,943	3,038	3,358
Southwark	2,746	2,935	3,433	3,550	3,828
Islington	922	764	884	1,144	1,412
Westminster	2,748	No data	2,654	3,051	3,269
City of London	69	104	129	144	164

1.9 The scale and nature of demand for TA required by the City Corporation informs the types of TA that it uses. In authorities where there are thousands of households in TA, it is more common (and economically viable) for the local authorities to own TA directly, to lease properties for long term use and to invest in teams procuring private rented properties. Leased properties are economically viable for larger households – but, like private rented sector properties, will often be secured in areas far from the placing local authority. Flexible, nightly paid temporary accommodation is also widely used – particularly in relation to households without dependent children.

2 Temporary accommodation demand: Rough Sleeping

2.1 Rough sleeping is the most visible form of homelessness, and the predominant form of homelessness to which the City Corporation responds. Many factors – centrality, transport hubs, footfall, nighttime economy, support services - result in individuals sleeping rough in the Square Mile, but none who are homeless on the City's streets come from the resident community. Some will be transient and sleep rough in different locations across London.

- 2.2 The number of people recorded rough sleeping in the City of London has risen sharply since 2020/21, with 878 individuals recorded sleeping rough in the Square Mile across 2024/25 – a 33.8% increase on the previous year. The annual rate of increase is greater than London as a whole (+10.3%), but among central London local authorities the difference is more variable: Westminster +24%; Camden +8%; Southwark +12%; Islington +33%; and Tower Hamlets +10%.
- 2.3 Of those seen sleeping rough in the Square Mile 64% were new to the streets, seen rough sleeping in London for the first time. A quarter were longer term rough sleepers.
- 2.4 Table 2 below shows the increase in the number of people seen sleeping rough both within the City of London and Greater London over a 5-year period.

Table 2: Total number of people being seen rough sleeping: City of London and Greater London (CHAIN data)

	2020/21	2021/22	2022/23	2023/24	2024/25
City of London	350	372	482	656	878
<i>yearly change (%)</i>	<i>N/A</i>	<i>+6.3%</i>	<i>+29.6%</i>	<i>+36.1%</i>	<i>+33.8%</i>
Greater London	11,018	8,329	10,053	11,993	13,231
<i>yearly change (%)</i>	<i>N/A</i>	<i>+24.4%</i>	<i>+20.7%</i>	<i>+19.3%</i>	<i>+10.3%</i>

- 2.5 Increased rough sleeping within the Square Mile is a primary driver for the use of TA. The City Corporation's Homelessness and Rough Sleeping Strategy sets out the following strategic priority:

Providing rapid, effective and tailored interventions to minimise the duration of homelessness, prevent the loss of accommodation and prevent the crisis of street homeless leading to the harm of long-term rough sleeping.

- 2.6 In delivering to this priority, the use of and reliance on temporary accommodation has increased. The individuals housed temporarily are all single person households. This group commonly has a range of complexities that means the destination from TA is often not a social tenancy, as is the case for those with dependent children.

3 Temporary accommodation demand: Statutory homelessness

- 3.1 Local authorities have a legal duty to help people who are statutory homeless, but only if they meet specific criteria set out in law. To qualify for the main housing duty, an applicant must be legally eligible for assistance (e.g. based on immigration status), legally homeless, in 'priority need' (such as having children or being particularly vulnerable), and not 'intentionally homeless'.

- 3.2 Not everyone who is homeless will meet these statutory criteria; those who do not may still receive advice or temporary help but are not guaranteed long term housing. However the City Corporation has a duty to assess and prevent homelessness, which may lead to households being placed in temporary accommodation on a statutory basis.
- 3.3 Changes in homelessness legislation have come into effect that exempt certain applicants from any local connection or residency tests – notable for applicants who are victims of domestic abuse. A person can also have a local connection on the grounds of employment. For the City Corporation this has contributed to a rising number of applicants given its large working population, centrality and as a destination for those seeking help ‘in London’.
- 3.4 As table 3 below shows, the number of approaches for statutorily defined homelessness assistance in the City of London and across Greater London.

Table 3: annual totals: Statutory Homelessness approaches (data from City of London Corporation an MHCLG statutory homelessness detailed Borough reports)

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	5-year change
City of London Approaches	338	428	512	602	632	+87%
Greater London Approaches	54,300	58,200	63,100	68,740	Full year data pending	+27%

Graph 2: Number of approaches made to the City Corporation by households for emergency assistance over the past 6 years – data from City of London Corporation

4 Temporary Accommodation types

- 4.1 TA must be suitable and can be in the private rented sector or the social rented sector. It could also be in a hostel, a commercial hotel or a bed and breakfast (B&B) (subject to exceptions/conditions for some household types).
- 4.2 Costs are influenced by the type of accommodation used: nightly paid, privately managed, self-contained units are now the most common and expensive TA option.
- 4.3 Many local authorities secure private sector leased properties, where councils lease homes from private landlords (directly or indirectly) on longer-term

contracts. Nightly paid accommodation - self-contained units that are typically privately let - offer flexibility but at higher per-night costs.

- 4.4 TA can also be provided in hostels with shared facilities that provide supported environments, and social housing from housing associations or local authorities.
- 4.5 The choice between these accommodation types depends on various factors including the volume of homelessness applications and the specific needs of homeless households and the availability of temporary accommodation locally.
- 4.6 Despite increased pressures, the City Corporation has the smallest number of approaches for homelessness assistance, and use of TA, in London. While there has been a growth in the number of households with dependent children seeking assistance, the large majority of need is from single people.
- 4.7 This informs the type of TA used by the City Corporation which is primarily nightly paid TA. The population of need to whom the City Corporation responds has significantly different characteristics in terms of individual needs and household size. Therefore, comparison to the models used by other local authorities is limited.

5 Placements in temporary accommodation during 2024/25

- 5.1 In 2024/2025, the City of London Corporation placed a total of 164 households in TA. Of these, 51 households were replaced under statutory obligation and 113 discretionary approaches.
- 5.2 Statutory TA is short-term accommodation offered to applicants at risk of or facing homelessness, either as part of an 'interim duty' (during the assessment of an application) or where a 'main duty' is owed (following which the City Corporation must provide long term settled accommodation).
- 5.3 Discretionary TA describes the approach where an individual or household is moved into TA outside of the statutory duties set out on the legislation, but at the discretion of the service. It is often used for those sleeping rough in periods of severe weather (and the subsequent policy imperative to keep an individual in accommodation) or in instances where urgency or risk has been identified but eligibility and entitlement has yet to be determined.
- 5.4 Of the 51 households placed into TA on a statutory basis, one required a two-bedroom property and one a one-bedroom property. The rest were placed into studio apartments.

- 5.5 Of the 113 discretionary placements made, two were placed into one-bedroom properties and the remaining 111 into studio apartments or single rooms within specialist premises.
- 5.6 During 2024/25, the median figure that households spent in TA was 368 days.
- 5.7 When analysing length of stay by household composition, single-person households without dependents remained in temporary accommodation for an average of 581 days (19 months), whilst families with dependent children spent an average of 1003 days (33 months) in TA.

6 Who is in Temporary Accommodation now? Snapshot – November 2025

- 6.1 Placements within a year do not represent the entirety of those in TA. Some households will remain in TA for extended periods – spanning more than one or two financial years. Especially those awaiting a social home allocation.
- 6.2 At the end of November 2025, the City Corporation had 93 households in TA. Three households were placed by Adult or Children's Social Care services. A further 44 single person households were accommodated on a discretionary basis. The remaining 46 were accommodated in relation to one of the three statutory duties set out in legislation: a Relief Duty, Prevention Duty or Main Duty.
 - A Relief Duty means interim accommodation must be provided while the local authority takes 'reasonable steps' to help an eligible homeless person secure suitable accommodation, usually for at least six months.
 - A Prevent Duty means the council must take reasonable steps to stop an eligible person at risk of homelessness within 56 days from becoming homeless.
 - A Main Duty means interim accommodation must be provided until the local authority can discharge its duty by providing suitable settled accommodation (typically a social rented tenancy)
- 6.3 Of the 46 statutory placements, eight households were owed a Relief Duty, 21 were owed a Prevent Duty and 17 were owed a Main Duty.
- 6.4 The 17 households who were owed a Main Duty are awaiting an allocation of a social rented home. It is possible within law to discharge this Main Duty into a private rented sector (PRS) home where that is suitable (primarily where affordable to the household). The City Corporation does not currently discharge its duty in this way. Securing suitable PRS offers is more commonly used where local authorities have a dedicated team able to negotiate and secure PRS properties – often in areas distant from theirs.

- 6.5 Nine of the households awaiting Main Duty accommodation have dependent children. Of these households, 7 require 2-bed properties and 2 require 3-bed properties.
- 6.6 A further three households either owed Relief Duty, or a Prevention Duty have dependent children. All three households require 2-bed properties.
- 6.7 Eight of the households owed a main duty are single person households currently in studio accommodation. The move on from TA will be into social rented studio accommodation.
- 6.8 The 44 households in TA on a discretionary basis were all single person households. Two were in a one-bedroom property, and 42 were in a studio property.
- 6.9 There are many case specific reasons why a household is placed in discretionary TA as well as their planned route out of TA. As set out above, some placements are in line with the City Corporation's strategic priorities and are provided in an emergency situation to provide a rapid route away from the streets.
- 6.10 Some placements allow for an assessment for homelessness assistance. This may enable referral to another local authority. Where it is determined the City Corporation should provide assistance, these placements could be processed and recorded as statutory, but in practice remain recorded as discretionary.

7 Exits from Temporary Accommodation in 2024/25

- 7.1 Increasing TA use is not just a factor of increased demand. Entry into TA exceeds move on from TA, causing a cumulative escalation of numbers.
- 7.2 While it may be anticipated that move on is reliant on the allocation of social housing (which is a key factor and explored below), the pattern of departures from TA experienced points to a range of issues and circumstances.
- 7.3 Move on (departures) from TA are a combination of the allocation of secure settled accommodation, eviction and abandonment. The latter two factors reflect the complexity of the predominant client group (people who have slept rough) supported by the City Corporation. They are evicted or they abandon TA for various reasons, many of which are complex and case specific. In 2024/25, 34 households left temporary accommodation:
 - 10 left TA because they abandoned the TA or were evicted due to ASB
 - 1 person was deported
 - 4 secured accommodation in the private rented sector
 - 4 received accommodation from the Home Office

- 8 moved into supported accommodation
- 1 moved into university accommodation

8 Allocation of Social Homes in the City of London

8.1 During the year 2024/25, the City Corporation allocated 45 social homes to new and existing tenants of social housing.

8.2 Of these 45 lettings:

- 17 were studio properties
- 11 were one-bedroom properties
- 10 were two-bedroom properties, and
- 7 were three-bedroom properties.

8.3 Forty social tenancies were let to new tenants of social housing, and 5 were let through mutual exchange.

8.4 10 social tenancies were allocated to households in statutory TA, all as a means of discharging a Main Housing Duty. Four social tenancies were let to care leavers. The priority for social housing allocation is set out in the City Corporation's Allocation's Policy.

8.5 Rough sleepers placed in discretionary TA currently do not hold a high priority under the City Corporation's social housing allocation policy, which emphasises local connections and a prioritisation of other groups, such as care leavers, who have an automatic right to a social tenancy if they request it, although they may have to wait several years

8.6 Many households in TA frequently have complex needs impacting the nature or location of move on they require – these include accessibility needs resulting from disabilities, vulnerabilities and needs that require supported accommodation, or homelessness related to fleeing domestic abuse.

8.7 The City Corporation maintains a housing waiting list. Of the households eligible to be and on that waiting list 495 households were waiting for a studio or one-bedroom property, 141 were waiting for a two-bedroom property, and 129 were waiting for a three-bedroom property.

8.8 According to the Centre for London, in 2024-25, households on the City of London housing register spent an average of 1 year and 9 months waiting for a studio or one-bed property, 1 year and 5 months for a two-bed property and longer than 3 years for a three-bed property.

9 Overall costs of temporary accommodation

9.1 Analysis by the Institute for Government shows that [councils' share of TA expenses \(excluding administration costs\) has risen](#), from 7.1% in 2009/10 to 50.6% in 2024/25. This increase is largely attributed to the growing gap between the value of Housing Benefit subsidy for TA, which is mostly capped at 90% of January 2011 LHA rates, and actual TA costs.

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

Table 4: total expenditure on TA

	2021/22	2022/23	2023/24	2024/25
Total expenditure	£562,409	£853,276	£1,029,756	£1,716,131

9.3 The figures above are derived from the nightly rate fees charged by our TA providers which the City Corporation pays to fund the placement. Approximately 80% of this cost is recovered through a combination of Housing Benefit (HB) and some discretionary spending on rough sleepers is funded through MHCLG grant funding.

9.4 During 2024/25, the average nightly rate paid for TA by the City Corporation was £52.44 per night for a single person, £67.50 per night for couples, and £92.27 per night for families requiring multiple bedrooms.

9.5 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).

9.6 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.

9.7 Against the upfront cost of TA in 2024/25 of £1,716,131 – £1,326,267 was paid in HB and £633,052 will be re-imursed by the DWP in subsidy. This leaves a subsidy deficit for the City Corporation of £693,216. This can be structured in the following way:

Table 5: Breakdown of TA costs

A	Upfront (gross) cost of TA	£1,716,131.00
B	Less HB awarded	£1,326,267.00

C	HB subsidy deficit - amount not re-imbursed by DWP due to LHA cap	£693,216.00
D	Shortfall due to no HB claim/non-payment of service charge/TA charge/arrears etc*	£389,864.00
	Total net cost of TA to CoL (C+D)	£1,083,080.00

*A proportion of TA placements will inevitably incur a debt where ineligible charges fall to client, but these costs are not met. Arrears may also apply where claims lapse and cannot be recovered.

10 Conclusion

- 10.1 The increase in TA expenditure is driven by a mixture of high unit costs, increasing demand and systemic barriers to discharging duties.
- 10.2 Financially, the disparity between expensive nightly-paid commercial rates and a Housing Benefit subsidy frozen at 2011 levels creates a structural deficit that must be subsidised by general budgets.
- 10.3 This financial pressure is compounded by a shortage of affordable private rented and social housing which prevents the timely discharge of statutory duties, while complexities in reconnecting rough sleepers extend the duration of emergency placements.
- 10.4 Ultimately, these factors combine to increase both the daily cost of units and the length of time households remain dependent on Council support.

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