

Housing and Community Safety Scrutiny Commission

Thursday 12 October 2023

7.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplementary Agenda No.1

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5.	Southwark's Temporary Accommodation Policy To receive a report from Karen Shaw Head of Housing Solutions on Overview of Southwark's temporary accommodation policy including the current and future budget impact.	1 - 13

Contact

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Date: 10 October 2023

Item No. 5	Classification: Open	Date: 12 th October 2023	Decision Taker: Housing and Community Safety Scrutiny Commission
Report title:		Temporary Accommodation	
Ward(s) or groups affected:		All	
From:		Karen Shaw, Head of Housing Solutions	

Overview of Southwark's Temporary Accommodation Policy including the current and future budget impact and also including a comparison with other London Boroughs.

RECOMMENDATION(S)

1. This report provides an update for members on the current position in terms of temporary accommodation use for homeless households in Southwark, including current and future cost pressures.
2. Members off the Commission are asked to note the report.

BACKGROUND INFORMATION

3. In London and nationally levels of homelessness have been consistently rising. In July it was reported that the numbers of households in temporary accommodation in England was at its highest since records began in 1998, with 104,510 households in temporary accommodation at the end of March 2023. This has increased by 9,520, or 10%, since the same time last year.
4. One of the results of this was an increase in the numbers of children in temporary accommodation to 131,370, again a record high.
5. The data below shows the pressures in Southwark and provides some comparative data across London and the pressure this places on the authorities' budget.

KEY ISSUES FOR CONSIDERATION

6. The statistical context of homelessness demand and temporary accommodation use is provided below.
7. Numbers in temporary accommodation provided by Southwark as at 1st September 2023 are shown in table 1 below

Table 1

TA snapshot 1st September 2023	Hholds
Shared nightly/B&B	138
Self-contained nightly paid	835
Hostel	26
Leased	1353
LBS Estate TA	1297
Voluntary sector	4
Total	3653

8. Of the 3,653 households in temporary accommodation, 87% have had a housing duty accepted to them. Nearly 11% of households continue working with the authority to relieve homelessness and awaiting a final decision on their application. Most households without a decision are in nightly paid accommodation. 2% of households have received a negative homeless decision and will be leaving accommodation after a period of notice or have been granted discretion to remain subject to a statutory review or County Court appeal process.
9. Homelessness demand has been increasing for some time and this has impacted both on the numbers of homelessness assessments carried out, prevention work with residents and placements in temporary accommodation. All of these factors impact on the costs to the service in terms of staffing resources, the cost of prevention options and, significantly the cost of temporary accommodation.
10. Table 2 below shows the level of homeless approaches to Southwark during the last 5 years. Figures during 2020 and 2021 were obviously impacted by covid and the “everyone in” work to protect residents from the pandemic. Approaches in 2023/24 are climbing, with month on month increases in demand leading to higher numbers of placements. So for example between July and August there was an increase in approaches from 257 to 270 leading to placements in temporary accommodation placements increasing from 115 to 140.

Table 2: Homelessness approaches over time

Homeless Approaches	
Financial Year	Total Number
2018/2019	3409
2019/2020	3216
2020/2021	3821
2021/2022	3340
2022/2023	2993

11. The reasons households approach for homelessness support are described in table 3 below. The single biggest reason for homelessness nationally is end of private rented sector (PRS) tenancy, reflecting the turmoil in the private rented market and the affordability issues affecting residents leading to more homelessness from that sector, less prevention options into the PRS and less availability of temporary accommodation from PRS suppliers. In Southwark however the single biggest reason for homelessness remains eviction by family. A new home visiting process has been put in place to work with households, many of them council tenants, to prevent homelessness and avoid households having to be placed in temporary accommodation.

Table 3: presenting reasons for homelessness over time

Reason for homelessness	18/19	19/20	20/21	21/22	22/23
PRS eviction - AST	465	500	416	553	473
PRS eviction - non AST	45	102	99	134	137
Eviction social housing	68	71	160	520	593
Eviction supported housing	51	34	55	101	74
Mortgage repossession	8	6	4	6	5
Family exclusion	699	748	1020	851	658
Friend exclusion	236	248	348	250	180
Relationship breakdown	113	118	176	106	196
Domestic abuse	281	285	385	328	241
Domestic abuse - excluded perpetrator	0	1	0	1	9
Racial harassment/violence	6	10	11	0	10
Other harassment/violence	37	34	47	59	50
Left institution	55	41	37	5	0
Left HM Forces	2	7	4	2	3
Left Home Office accommodation	74	45	31	49	62
Left custody	0	1	3	46	64
Left hospital (mental health)	0	0	0	7	12
Left hospital (physical)	0	0	0	10	13
Home medically unsuitable	0	0	0	27	22
Fire, flood, other emergency	12	9	49	188	78
Disrepair	18	18	45	25	45
Other	828	890	865	3	0
Total	2998	3168	3755	3271	2925

12. In responding to homeless applications the Housing Solutions service works in collaboration with residents to prevent homelessness and the need for temporary accommodation. For example, most of the households in table 3 above who approach as a result of threat of homelessness from a social

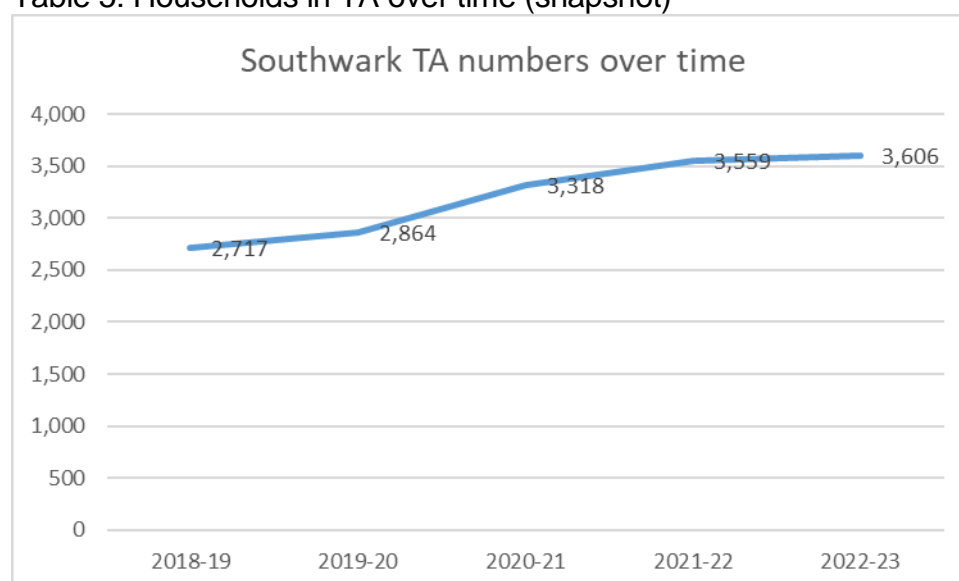
housing tenancy are assisted through discretionary housing payments and the rent arrears fund to prevent homelessness and never actually lose their home. The service will also determine that some households are not owed a full housing duty under the law on homelessness. This may mean they are not provided with temporary accommodation or it may mean it is only provided for a limited period. Once a duty is accepted a household is awarded band 3 priority on the housing register and may successfully bid for a social home or be offered a suitable private sector home to bring the duty to an end. The paucity of affordable PRS supply currently is making it harder to meet housing need in this way. Table 4 below shows the households to whom a fully housing duty is accepted as a result of a homeless application (those we owe a duty to and are unable to prevent or relieve their homelessness).

Table 4: Homelessness acceptance rate

Acceptance Rate	
Financial Year	Acceptance Rate
2018/2019	34%
2019/2020	30%
2020/2021	25%
2021/2022	23%
2022/2023	28%

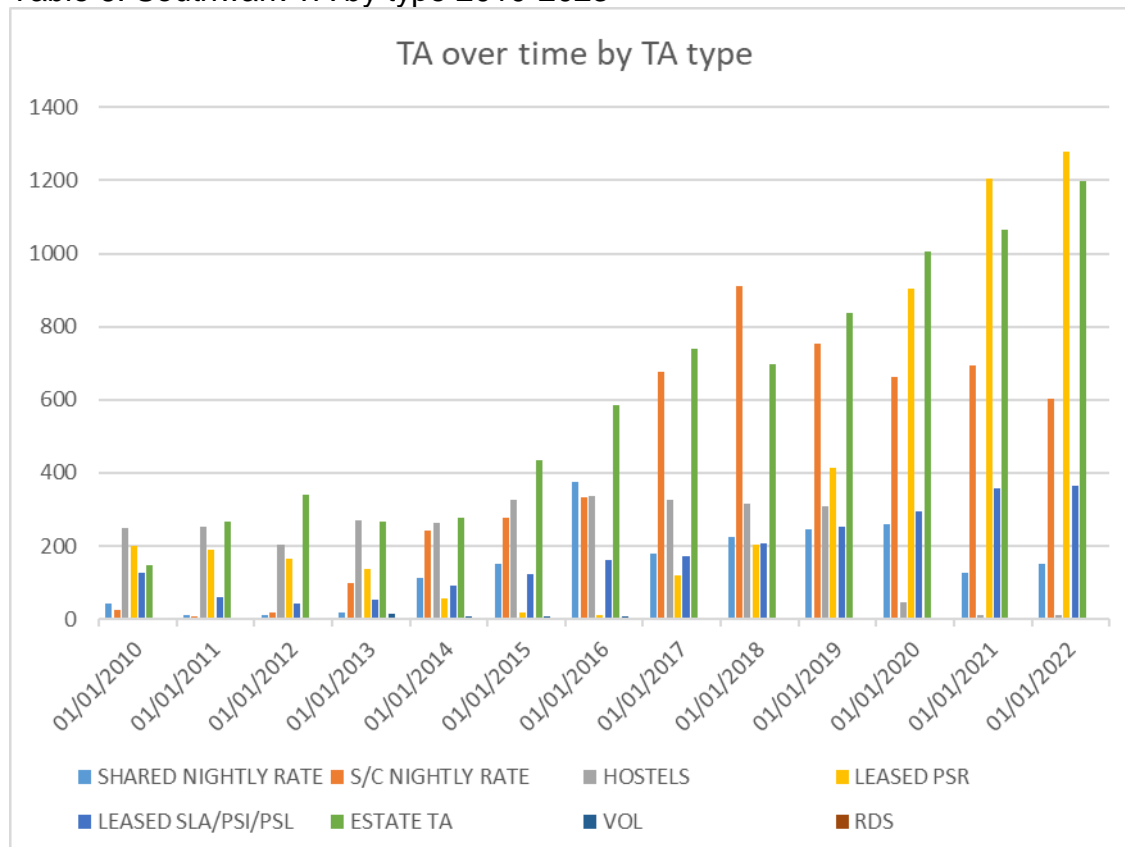
13. Over time the use of temporary accommodation in Southwark has been increasing, most particularly between 2019-early 2022. Numbers have increased a small amount since April 2022.

Table 5: Households in TA over time (snapshot)



14. Table 6 below shows a more detailed calendar year breakdown of TA data showing the type of provision used.

Table 6: Southwark TA by type 2010-2023



15. As at the 1st September 2023 there were 3653 households in TA provided by Southwark. Numbers have been maintained at broadly similar levels across the last year, in the face of increasing pressure that has led to significant upwards trends elsewhere in London. In the last couple of months this upwards trend in demand and the lack of PRS supply to help prevent homelessness has seen TA starting to go up. The numbers are broken down by accommodation type in table 7 below.

Table 7: Southwark TA as at 1st September 2023

TA snapshot 1st September 2023	Households
Shared nightly paid/B&B	138
Self-contained nightly paid	835
Southwark Hostel	26
Leased	1353
LBS Estate TA	1297
Voluntary sector	4
Total	3653

16. A borough by borough breakdown of TA use in London is shown at table 8. This reflects the numbers reported by boroughs to DLUHC as part of statutory homelessness reporting. The figures provided show the position as at the end of March 2023. A number of boroughs have not reported their numbers as at this date so the table has been annotated to show the most recent figures reported via this return. The highest number in TA is in Newham (now higher than reported below).

Table 8: TA use in London, March 2023

Area	Numbers in TA	Area	Numbers in TA
England	104,510		
London	60,040		
Rest of England	44,460		
Barking & Dagenham	1286*	Hounslow	***
Barnet	2114	Islington	1008
Bexley	784**	Kensington & Chelsea	1940
Brent	***	Kingston	912
Bromley	1539	Lambeth	***
Camden	647	Lewisham	2720
City	30	Merton	338
Croydon	1904	Newham	5724****
Ealing	2541	Redbridge	2957
Enfield	***	Richmond	518
Greenwich	1541	Southwark	3520
Hackney	3004*	Sutton	931
Hammersmith & Fulham	1119	Tower Hamlets	***
Haringey	2492	Waltham Forest	877
Harrow	1055	Wandsworth	3213
Havering	1006	Westminster	3003
Hillingdon	866		

* last published HCLIC figure Dec 22

**last published HCLIC figure Sept 22

*** no figures published since before Sept 21

****last published DLUHC figure Dec 21

17. Comparative information across London shows the scale of upwards pressure in London in terms of homelessness and both the scarcity and cost of temporary accommodation.
18. London Councils has been carrying out a bi-monthly survey of authorities' homelessness pressures comparing the current position with the position 12 months ago. The most recent iteration of this data shows the following pressures comparing May and June 2023 with the position in May and June 22. Each period this monitoring has taken place the position overall has worsened.

19. The data headlines show homeless presentations increasing by 22.1%, with a 12.1% increase in the overall number of households where authorities accepted a homelessness prevention or relief duty.
20. Data showed numbers in temporary accommodation increasing by 6.6% comparing June 2023 to June 2022. In May 2023 the number of households in temporary accommodation where a London borough were responsible for their application was 64,003.
21. Southwark has very few households in bed and breakfast or shared nightly paid accommodation but pan London use of this type of provision has soared in the last 12 months as boroughs struggle to source alternative supply as temporary accommodation. Use of this type of TA for families is up 375.6% in the last 12 months. The number of families with dependent children in this provision who have remained there for more than 6 weeks, in breach of statutory guidance is up 710.7%.
22. The challenges in the private sector market which are impacting on homelessness demand, options for prevention and private sector supply for TA and discharge accommodation are also evident in the figures. Overall available PRS supply in London for TA was down 6.8% compared to the 64% increase in B&B. Boroughs also report a 74.5% increase in the numbers of notice to quit received from providers seeking their accommodation back from authorities as they increasing withdraw from the TA market. In practical terms this is causing authorities to use more B&B, have to use commercial tourist hotels because nothing else is available, place further afield and try to work with customers to defer placement because nothing is available.
23. Whilst provision declines the cost of what is available increases. The survey shows overall rates up 13.2% over the year, with incentives up 14.2% for PRS supply. Gross spend on TA has increased by 24.3% and authorities are reporting their net budget deficits as increasing by 18.2%.
24. A copy of this London Temporary Accommodation and Homelessness Dashboard is included at Appendix 1 to this report.
25. Table 9 below shows the most recent version of dashboard data compared to the Southwark position. The starkest difference relates to B&B use where Southwark has managed to avoid much use of B&B for families and has only rarely had cases for over 6 weeks. Some boroughs currently report 100's of cases in tourist hotels for lengthy periods with no available supply to move them on to. Cost pressures are generally also more acute than in Southwark, although fewer boroughs are able to report against this indicator.

Table 9: London Council's dashboard compared to Southwark position as at June 2023

	Southwark		London		No's reporting
	Jun-23	Jun-22	Jun-23	Jun-22	
Homeless presentations	282	205	7689	6295	28
Owed prevention/relief duty	170	137	5540	4916	28
Numbers in TA	3653	3597	56061	52571	27
Children in TA	4173	4025	62110	59618	23
Families with children in B&B	1	1	1674	352	27
Families with children in B&B more than 6 weeks	0	0	989	122	26
PRS accommodation procured to discharge the homeless duty	14	22	480	663	29
Notice to quit received on temporary accommodation	113	96	413	287	20
Median cost of TA	£302.35	£300.64	£323.66	£284.44	23
Median cost of incentives	£4,000	£2,222	£3,314	£2,902	16
Gross spend on TA (cost - rental income)	£1.56m	£1.33m	£38.9m	£48.3m	21
Projected deficit	£1.54m		£105.5m	£89.2m	16

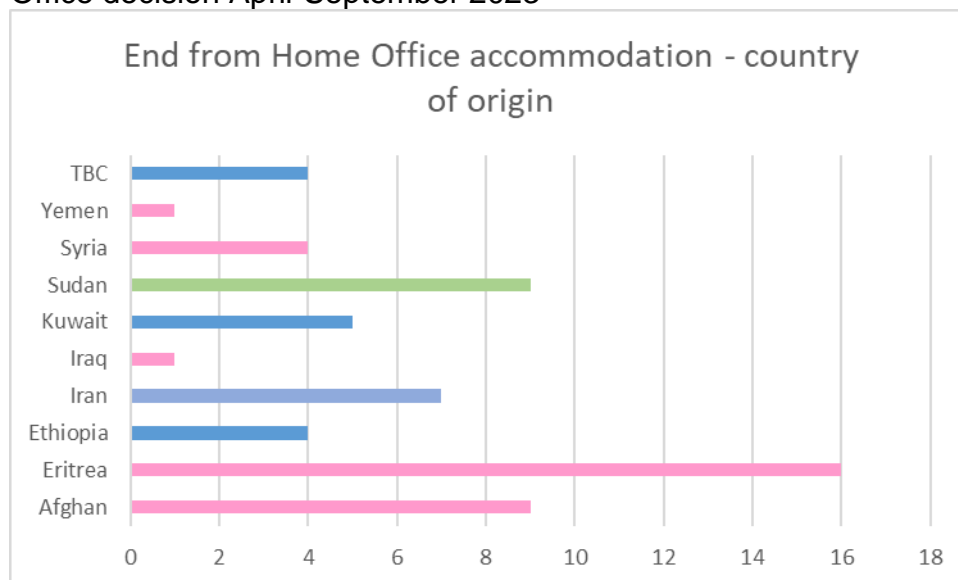
26. A future large, uncontrollable demand impact resulting from changes to Home Office decision making is also predicted to hit the service during 2023/24. In April the government announced they would introduce a new streamlined asylum process for certain nationalities, to speed up decision making. This is due to be rolled out more widely post September.
27. The numbers across Southwark who may as a result receive decisions and subsequently approach as homeless after being told to leave Home Office accommodation are large. There are 4 asylum hotels in the borough and others living in non-Home Office settings within the community. Projections including all the different categories and including assumptions based on their likely positive decision rate from the Home Office suggests up to 1,200 individuals approaching as homeless, the majority of whom will be singles. Families appear to form around 150 of the group but there is no reliable data on the size of families and this impacts on assessments of the number of singles – likely however to be 800-1,000.
28. Alongside this the authority is dealing with applications from Afghan households who were being dealt with through ARAP/ACRS but have now been evicted from bridging hotels and those who fled Sudan earlier in the year.
29. Table 10 below shows a sharp increase in homeless approaches as a result of this pressure coming through in September 2023.

Table 10: Homelessness as a result of home office decision



- 30. Table 11 below shows the cases who are coming forward as a result of SAP (pink bars) already. The data on the 60 cases approached so far shows 9 families, 49 singles and 2 to be assessed. 41 of these 60 applications were received in September.

Table 11: Country of origin, homeless approaches as a result of Home Office decision April-September 2023



- 31. To manage this demand, advice surgeries are being carried out with refugee organisation's and the DWP and a bespoke pathway has been put in place. The time between households receiving a home office decision and needing to leave their accommodation is now much shorter as a result of a change in the rules. This leaves little time to work with them to provide advice assessment and solutions.
- 32. The Council has several TA framework policies on TA. The last policy update was in 2021. They consist of a policy that outlines the authorities approach to placement and procurement. These polices will be presented

for an update to Cabinet in January 2024.

33. The placement policy currently provides for
 - Homeless households are given **two** offers of temporary accommodation
 - Information relating to who will be prioritised for in borough placements
 - 3 priority bandings for prioritisation of TA placements
34. The new policy is likely to propose:
 - Homeless households will receive **one** offer of temporary accommodation
 - Households will be placed in line through the property standards outlined within the Procurement strategy, seeking to link standards to cost.
 - Retain 3 bands for TA placements with revised wording
35. An updated TA procurement strategy will also be presented.
36. Additionally a pre procurement strategy will propose greater governance around TA procurement approaches and an update will be provided on work on a range of investment opportunities being worked through to provide greater cost certainty and assurance of standards for TA and accommodation to discharge the homeless duty.
37. Work continues within the service on demand management initiatives and process revisions to support increased homeless prevention and reduced need for TA.
38. A draft new Homelessness and Rough Sleeping Strategy setting out overall plans for future approach will be presented to Cabinet in January ahead of formal consultation.

Community, equalities (including socio-economic) and health impacts

39. As an update report there is no direct impact on local people or communities. However the impact of TA on local residents and wider communities is clearly substantial and will be thoroughly addressed in new plans and policies coming forward to Cabinet and more generally in the delivery of services overall.

Climate change implications

40. There are no climate change implications arising directly from this report.

Resource implications

41. The upwards pressure on homeless demand, particularly that arising as a result of streamlined asylum processing and a sharp increase in homeless applications is likely to impact staffing resources requiring additional staff to carry out housing advice and homeless assessments.
42. There is also a likely impact from this work related to property procurement

and rough sleeping given the majority of applicants are single and likely not to have a priority need under the law on homelessness. A financial and staffing resource impact on the procurement of PRS options for this group and on the rough sleeping pathway would need to be resourced if the numbers presenting meet projections.

43. Without additional resource to address this need assessments will take longer, TA costs may be incurred and there is likely to be an increase in rough sleeping locally.

Legal implications

44. The Council has statutory obligation to the homeless under Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002 and the Homelessness (Priority Need for Accommodation) Order 2002, the Homelessness Reduction Act 2017 and the Domestic Abuse Act 2021.
45. The Council's duties include the provision of housing advice; action to prevent and relieve homelessness; providing housing related support; carrying out inquiries and make decisions on housing duties to homeless households; providing emergency accommodation and longer term temporary accommodation in response to homelessness; discharging the prevention, relieve, temporary or full housing duty through an offer of suitable accommodation which may be in the private or social sector.
46. The Council also has a duty set out the authority's plans for the prevention of homelessness and for securing that sufficient accommodation and support are or will be available for people who become homeless or who are at risk of becoming so.

Financial implications

47. There remains a strong underlying demand pressure in Southwark for temporary accommodation, which is exacerbated by the current cost of living crisis. In addition, there is an emerging and more serious pressure on the supply-side as providers are exiting the private rental market due to rising interest rates impact on the financial return. As there are no effective controls to prevent private sector rent rises and continued restrictions on Local Housing Allowance (LHA) rates, many who are on welfare benefits and those on low incomes will find themselves struggling to pay rents. This in turn will increase the demand for local authority provision.
48. The numbers of those homeless and seeking support has remained relatively stable over recent months. However, supply-side costs and availability are causing an increase in spend, including those under the Inter-Borough Accommodation Agreement (IBAA), (a Pan London agreement that ensures rent costs remain at consistent levels across London) where rates have risen by 10% since March 2023. Where providers are maintaining relationships with the council, incentive

expectations are greater and there is a shift to more expensive nightly-paid agreements, over which the council has little control if it wishes to retain supply.

49. Within the Housing Solutions service, which administers the wider service including the prevention of homelessness, additional temporary staffing resources have been agreed, to increase case management capacity and drive forward new processes designed to increase efficiency.
50. Whilst the council remains fully cognisant of its statutory homeless duties, these obligations continue to be managed in the most cost effective and sustainable way. To date the Budget Recovery Board (BRB) has and continues to review all aspects of temporary accommodation provision which has brought about improvement, but further work is required around the council's policy framework and procurement strategies.
51. Overall, the outturn temporary accommodation service is forecast to spend £1.6m above the £1m earmarked contingency sum.

Consultation

52. Consultation on major policy change in this area will be conducted, for example the Homelessness and Rough Sleeping Strategy, a draft of which will be brought to Cabinet in January 2024 seeking permission to formally consult.

APPENDICES

No.	Title
Appendix 1	London Temporary Accommodation and Homelessness Dashboard

AUDIT TRAIL

Lead Officer	Cheryl Russell, Director of Resident Services	
Report Author	Karen Shaw, Head of Housing Solutions	
Version	Final	
Dated	12 th October 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes/No	Yes/No
Strategic Director of Finance and Governance	Yes/No	Yes/No
List other officers here		

Cabinet Member	Yes/No	Yes/No
Date final report sent to Constitutional Team / Scrutiny Team		10 th October 2023