

TEMPORARY ACCOMMODATION STRATEGY AND ACTION PLAN

Cabinet Member & Portfolio	Cllr Steve Tuckwell, Cabinet Member for Housing, Planning and Growth
Responsible Officer	Dan Kennedy, Corporate Director, Homes and Communities
Report Author & Directorate	Debby Weller, Homes and Communities
Papers with report	Appendix: Temporary Accommodation Strategy and Action Plan

HEADLINES

Summary	Cabinet is asked to consider and note the Temporary Accommodation Strategy and Action Plan attached in the Appendix. The strategy sets out plans to reduce the use and cost of temporary accommodation to house homeless people and families by applying options to prevent homelessness and by increasing the supply of suitable alternative accommodation in the private rented sector and social rented housing.
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>This report supports our ambition for residents / the Council of: Live in good quality, affordable homes in connected communities</p> <p>This report supports our commitments to residents of: Thriving, Healthy Households</p> <p>This report supports our Housing Strategy 2021/22 to 2025/26 and our Homelessness Prevention and Rough Sleeping Strategy.</p>
Financial Cost	The Temporary Accommodation Strategy and Action Plan will align with and support the delivery of MTFS funding proposals
Select Committee	Residents' Services Select Committee
Ward(s)	N/A

RECOMMENDATIONS

That the Cabinet:

- 1) **Note the significant homelessness pressure in Hillingdon, in line with national and London wide trends, and the increasing use of temporary accommodation to meet this need.**
- 2) **Note the Temporary Accommodation Strategy and Action Plan in the Appendix.**
- 3) **Agree to receive quarterly updates, or at a frequency as determined by the Cabinet Member, on progress delivering the Strategy and Action Plan, aligned with the Homelessness Prevention and Rough Sleeping Strategy and the impact on the Medium-Term Financial Strategy, and to include details of actions being taken to bring empty homes across the Borough back into occupation.**

Reasons for recommendation(s)

The number of households in temporary accommodation in Hillingdon and the cost of that accommodation to the Council have reached unprecedented levels. This poses a financial risk and it is imperative that sustained cost reductions are made in this and following years. It is equally important to reduce the use of temporary accommodation so that potential negative impacts on those experiencing or threatened with homelessness are minimised. Due to rapid escalation of this issue over the last couple of years and the seriousness of the impact, a dedicated strategic response has been developed, outlined in this Action Plan. This will form part of our overall strategy to prevent and address homelessness.

Cabinet is being asked to approve quarterly updates, or as decided by the Cabinet Member, to monitor the progress of the Strategy/Action Plan. This includes a particular focus on actions aimed at bringing empty homes back into use. Given the demand and pressures set out, the Action Plan will also need to be a dynamic document over time, updated in collaboration with the Cabinet Member.

Alternative options considered / risk management

Without a dedicated Temporary Accommodation Strategy and Action Plan, work to address the issue would continue but may not achieve an appropriately high profile for the level of risk involved. By having a dedicated strategy and action plan approved by Cabinet there is an appropriate degree of escalation, focus and governance.

Select Committee comments

The Residents' Services Select Committee is currently in the process of finalising its review into homelessness and the customer journey, i.e. the resident-facing aspect of this wider topic, with their review undertaken in the context of the pressures set out in this report. The Committee's findings will be reported to Cabinet in 2025.

SUPPORTING INFORMATION

Background

1. The Temporary Accommodation Strategy and Action Plan sets out our plans to reduce the cost and use of temporary accommodation during the remainder of 2024/25 and for the period 2025/26 through to 2029/30. Further detailed work is underway to set out and keep up to date demand forecasts for homeless households by bedsize and a monitoring framework with specific targets for delivery. Analysis of available supply options will include cost comparisons. The quarterly progress reports will provide an update on achieving specific targets and actions within the monitoring framework.
2. The strategy is necessary because the cost of temporary accommodation to the council has reached unprecedented levels and poses a substantial risk to the council's finances. Over 40% of councils now view escalating costs for temporary accommodation as a critical financial challenge. Sustained cost reductions are needed in this and future years. Temporary accommodation can have wide ranging negative impacts for people and families living in it, including worse outcomes for health, education and employment. Due to the rapid rise in the use and cost of temporary accommodation and the level of risk posed to the council's finances, a dedicated strategic response is needed. The temporary accommodation strategy will form part of our overall strategy to prevent and address homelessness.
3. If a household is unintentionally homeless, eligible, and in priority need of assistance then local authorities have a legal duty to provide suitable temporary accommodation until settled accommodation can be secured. There are both demand pressures, with increased numbers of homelessness presentations, and reduced supply to meet the presenting needs. These pressures combined have led to a sustained increased in the use of temporary accommodation.
4. The shift in supply/demand balance, alongside some additional cost pressures for landlords, has also helped to fuel increased costs of private rented sector placements.

Temporary Accommodation in Hillingdon

5. On 29th January 2025, there were 1,275 homeless families in temporary accommodation, 97 were funded via specific grant funding and the remainder by the General Fund budget. A breakdown of the bedroom need of the families and the type of temporary accommodation occupied is shown in table below:

	1 bed	2 bed	3 bed	4+ bed	Total
B&B	141	242	240	102	725
Leased Temporary Accommodation	12	22	12	1	47
Council Hostel and Shortlife	178	182	109	34	503
Total	331	446	361	137	1275

6. There was a steady position in the number of households in temporary accommodation in Hillingdon between Q2 of 2019 to Q2 of 2022 but Hillingdon then began to see a steep rise

particularly towards the end of 2023. This is consistent with the wider trend seen in London, overall.

7. On 30 June 2024, there were 68,990 households in London living in temporary accommodation, 56% of the England total. The rate per 1,000 households for London was 18.85 compared to 2.63 for the Rest of England. Newham had the highest rate in London with 54.58 households per 1,000 households. A further four London boroughs had rates between 25 and 30 per thousand, four between 20 and 25, and three between 15 and 20. Hillingdon had 13.07 households per thousand in TA at this time, with nine boroughs reporting a lower number than this and the remainder of the data missing.
8. A direct comparison to the West London region shows Hillingdon is below the London average number in temporary accommodation per 1,000 households in the borough.

	Total No. in TA @ 30th June 2024	No. of H'holds in LA (000's)	No. in TA per 000 H'holds
Brent	...	120	
Ealing	3,205	124	25.85
Hammersmith & Fulham	1,382	84	16.52
Harrow	1,087*	88	12.4
Hillingdon	1,476	113	13.7
Hounslow	725*	103	7.1
Kensington & Chelsea	...	76	
LONDON	68,990	3,659	18.85

*Data for previous quarter shown as most up to date available

9. In 2023-2024, London Boroughs collectively spent more than £90 million per month on temporary accommodation, a figure that has been rising steadily each year. This level of expenditure is unsustainable and diverts funding away from other essential services.
10. The Temporary Accommodation Strategy and Action Plan is being informed by a dynamic financial and activity-based model to track homelessness demand for temporary accommodation and the supply to meet that demand. The model has provided a baseline position based on 2023/24 data and forecast supply and demand over the period of the strategy based on a number of assumptions relating to future costs and demand and to the likely impact of a series of management actions. An important and defining feature of the model is that it will be linked to comprehensive financial information allowing for both overall forecasts for each year covered and month by month forecasts for the forthcoming year to 18 months ahead; and to assign costs/savings to individual elements of the strategy including identified management actions.
11. Using the model, progress will be tracked on an ongoing monthly basis and will be substantially reviewed on an annual basis at a minimum.

Why temporary accommodation has become such a significant issue?

12. Over the past two decades, house prices have risen sharply, outpacing wage growth and making it increasingly difficult for low- and middle-income households to secure permanent housing. At the same time, private rental costs have also increased. London is particularly affected as housing costs for rent and purchase are much higher than in other areas. The changing housing market means that many who would have previously bought a home are now renting and many who could previously afford market rent, no longer can. The nature of the private rented market has changed and is now home to many more families with children. This has provided more competition for private rented properties. Other factors adding to that competition include the short-term lets market, which has bounced back post pandemic; other agencies, such as those with Government contracts, seeking to secure private rented homes; and other London Boroughs, and agencies working with them such as Capital Letters, seeking to secure accommodation in lower cost areas. Hillingdon is one of the more affordable parts of London and hence attractive for Inner London borough placements.
13. The number of people and families becoming homeless has increased. In addition to increasing difficulty in accessing an affordable home, economic pressures, welfare reform and the delayed impacts of the Covid-19 pandemic with a bottleneck of court evictions have all played a part in increasing homelessness. The presence of Heathrow in the borough is also increasing the extent to which Hillingdon is affected by rough sleeping. Recent changes to funding streams has increased the numbers rough sleeping and Home Office action to speed up decision making has compounded the impact.
14. Social housing stocks have reduced in many areas through Right to Buy sales and a lack of new social housing construction. In Hillingdon, council owned dwellings reduced from 10,499 in 2014 to 9,925 in 2019. On 1 April 2024 they had grown back to 10,228. Social housing lettings in England have fallen from 414k in 2013/14 to 266k in 2022/23. Hillingdon social housing lettings currently number around 400 a year. This compares to around 550 a decade ago.
15. The most common reason for homelessness presentations is section 21 (private rented sector) evictions. Family and friend evictions are also a very significant reason. Domestic abuse and move on from government commissioned accommodation are also notable reasons. We are aware that many of the evictions in the private rented sector come about as a result of large increases in the rents charged by landlords which many tenants are unable to afford. There has for some time been a belief that landlords are leaving the private rented sector in London and this has recently been backed up by research for London Councils carried out by Savills¹. The greatest reduction in properties available to rent is in Outer London. A comparison of 12 months listings to July 2024 compared to the average in 2018/19 shows that Hillingdon, with a reduction of 41% in private rented sector listings, is the second worst affected borough after Redbridge.
16. Reasons for landlords selling up include: increased mortgage costs, a less favourable tax regime, legislative changes (Right to Rent, cap on deposits payable, compulsory deposit protection scheme, EPC requirements) and forthcoming legislation (Renters Rights Bill –

¹ [Private Rented Housing Supply in London: Residential Research Report for London Councils and Trust for London, Savills](#)

removal of no fault evictions, decent homes requirement for private rented sector, Awaab's Law, more stringent EPC requirements).

17. A third of households owed a prevention or relief duty have support needs and because of their vulnerability are likely to require a temporary accommodation placement. Anecdotally this proportion has grown over time.
18. Housing benefit in the private rented sector is set by Local Housing Allowance (LHA) rates which differ by area and property size. LHA was previously set at 30% of market rents but has not continued to be updated in line with those rents. They are now insufficient to cover rental costs and for those out of work access to rented property is further restricted by the benefit cap.
19. The weekly amounts payable in different parts of Hillingdon are:

Broad Rental Market Area	1 Bed with Shared Facilities	1 Bed Self Contained	2 Bed	3 Bed	4 Bed	5 Bed (as 4 Bed)
Outer West London	£132.63	£230.14	£299.18	£339.45	£414.25	£414.25
North West London	£142.99	£253.15	£310.68	£386.63	£483.29	£483.29

20. Those under 35 are particularly hard hit as they are only able to access LHA support at the 'shared accommodation rate' meaning that the amount of benefit they can claim is much less.
21. Homeless households placed in temporary accommodation are able to claim housing benefit to go towards their housing costs, but LHA applies differently. Generally, the local authority covers the upfront cost of the temporary accommodation. The amount of TA reimbursement is calculated based on Local Housing Allowance (LHA) rates specific to the Broad Rental Market Area (BRMA) where the accommodation is located. The rates are based on January 2011 LHA rates and vary by the type and size of the property. Applicable LHA rates range from the one-bedroom rate to the five-bedroom rate. These rates have massively failed to keep pace with rising rental prices.
22. For temporary accommodation, the maximum subsidy is 90 per cent of the LHA rate for the size of the property. For non-self-contained accommodation the subsidy is limited to the one-bedroom self-contained LHA rate for the property's location, and even if more than one room is occupied by the same household, no extra subsidy can be claimed.
23. The maximum weekly rates subsidy payable in different parts of Hillingdon at the 90% 2011 rates are shown below. The rent charged and covered by benefit is £40 a week more but this is not reclaimable through subsidy.

Broad Rental Market Area	1 Bed with Shared Facilities	1 Bed Self Contained	2 Bed	3 Bed	4 Bed	5 Bed
Outer West London	Not used for TA	£155.77	£186.92	£228.47	£270.00	£301.16
North West London		£155.77	£197.31	£259.61	£321.92	£415.39

24. For temporary accommodation provided for homeless households by the council or a housing association the rent covered by benefit and subsidy will normally cover the rent charged.

25. Increasing difficulties in accessing private rented sector accommodation has brought further challenges. Many landlords are electing to offer properties on a nightly rate rather than on a longer-term basis; the imbalance can impact negatively on the quality of accommodation offered; and the council sometimes needs to look outside of the borough in order to find suitable accommodation.

Temporary Accommodation Strategy

26. The Temporary Accommodation Strategy is focussed on four key objectives which are shown below along with key strands of work associated with each objective. Further detail is included in the Temporary Accommodation Strategy and Action Plan included in the Appendix.

- Reduce homelessness demand and increase rates of successful homeless preventions
 - Actively promote self-service and 'find your own' housing options to residents
 - Deliver proactive and quality case work to increase 'no' and 'low' cost preventions
 - Reduce evictions across housing tenures focusing particularly on the most frequent reasons for loss of accommodation
 - Increase housing supply to support prevention of homelessness at an early stage
- Increase rates of move-on from temporary to settled accommodation
 - Increase the number of lettings to priority homeless households
 - Increase the supply of social rented re-lets from registered social housing providers
 - Expand the supply of private rented sector accommodation to accelerate move-on from temporary accommodation into long-term sustainable solutions
 - Embed a 'one-reasonable-offer' approach to prevent or relieve homelessness
 - Increase recovery of properties through tackling fraud
 - Complete options appraisals of long-term leasing arrangements and other potential private rented sector schemes
 - Review those in temporary accommodation to identify rapid housing solutions

- Reduce total expenditure on temporary accommodation
 - Negotiate reduced nightly rates with all temporary accommodation providers
 - Increase the use of existing council relets for use as temporary accommodation
 - Reduce the volume of spot commissioned nightly charged temporary accommodation by moving to a sustainable model including leased accommodation
- Increase the supply of additional social rented housing and new temporary accommodation through acquisitions and new build programmes
 - Evaluate and adopt options to increase the volume of council owned properties for use as temporary accommodation
 - Deliver an acquisitions programme to increase the supply of social rented properties
 - Deliver a 5-year programme of new build social and affordable rented housing
 - Utilise financial instruments to increase the supply options available to the council

27. Measures of success in delivering the strategy are:

- Fewer households threatened with homelessness
- A higher proportion of households whose homelessness is prevented
- No families with children/pregnant women in non-self-contained B&B for more than 6 weeks
- Fewer households becoming homeless and needing temporary accommodation
- Fewer households in nightly charged temporary accommodation
- Lower overall cost of temporary accommodation
- Lower cost per temporary accommodation unit
- Shorter average period housed in temporary accommodation
- Implementation of acquisition and new build development programme

Financial Implications

The Temporary Accommodation Strategy and Action Plan outlines initiatives to reduce homelessness spend on temporary accommodation. A wide range of measures are detailed in the plan including preventative measures, more efficient service delivery and new ways of working, as well as supply measures such as procuring properties at lower cost, acquisitions and new build. Some of these measures will have initial cost implications which will be factored in the budget setting process as part of the MTFs and ultimately aim to drive the total cost of homelessness down.

The budget for Temporary Accommodation in 24/25 and future financial years is shown in the table below, together with the latest Month 9 forecast for this year.

Temporary Accommodation £	24/25	24/25	25/26	26/27	27/28
	Budget	Month 9 Forecast	Budget	Budget	Budget
Spend	19,012,100	35,670,904	31,621,381	32,466,529	32,934,139
Grant Income	-6,783,200	-13,933,437	-14,212,106	-14,496,348	-14,786,275
Subsidy	-3,852,800	-8,539,186	-8,709,970	-8,884,169	-9,061,852
Other Income	-1,556,800	-1,663,062	0	0	0
Net spend	6,819,300	11,535,219	8,699,306	9,086,012	9,086,012

The Month 9 budget monitoring position shows a projected net overspend of £4.7m for temporary accommodation.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

Those residents affected by homelessness will benefit from the increased focus on fast and effective case handling and on securing sustainable accommodation solutions. All residents of the borough will benefit from the concerted effort to address the budgetary risk related to temporary accommodation expenditure. Sound financial management is a fundamental part of “putting residents first”.

Consultation & Engagement carried out (or required)

This report has not been subject to consultation. The report covers a range of management actions that are necessary to bring high risk expenditure in line with budgetary constraints. Rapid implementation is critical. The strategy covers a wide range of actions, some of which will or have already been subject to consultation, i.e. the recent amendments to the Social Housing Allocation Policy being an example.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting the recommendations to approve the Temporary Accommodation Strategy and Action Plan, which include a range of measures to reduce the significant financial pressure to the Council on Temporary Accommodation

Furthermore, it is noted, as at month 7 the temporary accommodation service are forecasting an overspend of £5m, the Autumn Budget Report submitted to Cabinet in December contained an increase in the budget strategy affectively funding the additional growth that is in the system, with proposed saving measures included in the Strategy and Action Plan to mitigate the rising Homelessness support totalling £3.6m for 2025/26 rising to £5.1m by 2027/28. The cost implications and savings mitigations will be monitored through the demand led financial and activity-based model as part of the regular monthly monitoring process and reviewed as part of the wider MTFS.

Legal

There is no known legal impediment to adopting “The Temporary Accommodation Strategy and Action”. However, the one-offer policy requires further clarification, and care must be taken when implementing it, as the Council's duty is not discharged unless the accommodation provided is suitable. The policy should allow for any unsuitable accommodation offer to be discounted; otherwise, it could be subject to legal challenge.

BACKGROUND PAPERS

Nil