

# TEMPORARY ACCOMMODATION ACTION PLAN MONITORING

<b>Cabinet Member &amp; Portfolio</b>	Clr Steve Tuckwell – Cabinet Member for Planning, Housing and Growth
<b>Responsible Officer</b>	Dan Kennedy, Corporate Director, Residents Services
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<b>Papers with report</b>	None

## HEADLINES

### Executive Summary

This report provides the third quarterly update on progress against the delivery of the Temporary Accommodation Strategy and Action Plan presented to Cabinet in February 2025.

Continued progress is being made and is on track to increase the supply of new housing to either prevent or resolve homelessness, in line with the strategy. This includes delivering the agreed programme to acquire and build new social rented housing. The actions to secure price negotiations to reduce the nightly cost of temporary accommodation have been delivered at pace earlier in the year in line with agreed targets. Phase 1 of price negotiations has been completed, and an additional phase 2 of price negotiations are underway to deliver further cost reductions from quarter 3.

It should be noted that like many London boroughs, demand from homeless households remains high given the significant challenges in securing suitable, affordable accommodation. The situation is particularly challenging in Hillingdon given the presence of Heathrow Airport, with high demand from the arrival of UK and other nationals during quarter 3, the cost of which is not fully funded by the Government.

There is a growing number of homeless households, many placed in temporary accommodation, whose only realistic housing solution is to access the private rented sector. Access to a sufficient supply of private rented sector accommodation at an acceptable price to meet the growing need of homelessness is continuing to prove challenging. Therefore, more families are staying in temporary accommodation for longer, placing the homelessness budget under significant pressure contributing to a forecast overspend by year end. New innovative models of accessing additional private rented accommodation are being explored to increase supply over the next 6-12 months and secure more leased accommodation, where this proves to be a financially viable option for the council.

<b>Putting our Residents First</b>	This report supports our ambition for residents / the Council of: Live in good quality, affordable homes in connected communities
<b>Delivering on the Council Strategy 2022-2026</b>	This report supports our commitments to residents of: Safe and Strong Communities  This report supports the Hillingdon Housing Strategy
<b>Financial Cost</b>	The Temporary Accommodation Strategy and Action Plan aligns with and supports the delivery of the Medium-Term Financial Strategy (MTFS).
<b>Select Committee</b>	Residents' Services Select Committee
<b>Ward(s)</b>	N/A

## RECOMMENDATION

**That Cabinet notes the content of the quarterly update report.**

### Reasons for recommendation(s)

The Temporary Accommodation (TA) Strategy and Action Plan was approved by Cabinet in February 2025 and it was agreed that quarterly updates would be provided to Cabinet, or less frequently as required, and that these would include impact on the Medium-Term Financial Strategy (MTFS). This is the third update.

### Alternative options considered / risk management

No other options were considered as the report is required by Cabinet. Risks associated with the delivery of the TA Strategy and Action Plan are covered in the body of the report.

### Democratic compliance / previous authority

In February 2025, Cabinet noted the homelessness pressures in Hillingdon and the increasing cost and use of temporary accommodation: noted the TA Strategy and Action Plan; and resolved to receive quarterly or less frequent updates regarding delivery of the Strategy and Action Plan.

### Select Committee comments

None at this stage.

## SUPPORTING INFORMATION

1. In February 2025 Cabinet noted the Temporary Accommodation (TA) Strategy and agreed to receive a quarterly update or at a frequency as determined by the Cabinet Member. This is the third of those updates. The TA Strategy contains the following four objectives:
  - Manage homelessness demand and increase rates of successful homelessness prevention;
  - Increase rates of move-on from temporary to settled accommodation;
  - Reduce total expenditure on temporary accommodation;
  - Increase the supply of additional social rented housing and temporary accommodation through acquisition and new build programmes.

### Key elements of progress

2. The Temporary Accommodation Strategy is operationalised through an MTFS action plan with the following four workstreams:
  - Workstream 1: Increase prevention and reduce new temporary accommodation placements
  - Workstream 2: Increase access to alternative housing options
  - Workstream 3: Reduce the cost of temporary accommodation
  - Workstream 4: Increase move-on into social housing
3. Governance arrangements for the MTFS action plan include a monthly review of progress involving the Cabinet Member for Planning, Housing and Growth and the Corporate Director, Residents Services and the four workstream leads and Assistant Director, Housing Needs & Homelessness. At an officer level weekly meetings are held to track progress and keep delivery on target. Key indicator dashboards have been established for the MTFS action plan and further development of the dashboards continues to improve the richness and integrity of the data.
4. Whilst good progress in delivering the action plan has been made in a number of areas to date, it should be noted that managing demand from homeless households continues to be challenging. The risk of further overspend against homelessness costs remains high, like many London boroughs, given the rising levels of homeless presentations and the challenges in securing suitable alternative accommodation to prevent homelessness, particularly in the private rented sector. The Council is also seeing exceptional costs as a result of being a port authority. This includes the arrival of a high number of UK and other nationals, which remains an unknown quantum at this time, given the costs incurred by the Council are not fully funded by the Government. It should further be noted that a review commissioned by London Councils has identified a “Funding Gap” of £740m for London Councils Cabinet – 23 October 2025 (Part 1 Public) between homelessness costs incurred and funding provided by Central Government in 2024/25.

## Workstream 1: Increase prevention and reduce new temporary accommodation placements

5. The key target for workstream 1 is for less than 50 new placements per month into temporary accommodation. For the first eight months of 2025/26 to the end of November, there have been an average of 48 placements per month, which is within the target set.
6. The main drivers of homelessness approaches during the period April to November were:
  - Family and friend evictions 1,012
  - End of PRS tenancy 990
  - Cessation of Home Office accommodation 934
7. These reasons account for 61% of the 4,799 approaches during this period. The main reason for new bookings into nightly paid accommodation April to end of November 2025 were as follows:
  - End of private rented tenancy 209
  - Family and friend evictions 45
  - Left prison 73
  - Domestic abuse 72
8. The high and sustained levels of homelessness demand represent a risk to achieving the prevention targets for this workstream. This is being managed through weekly performance management reviews and targeted interventions.

## Workstream 2: Increase access to alternative housing options

9. A key aim of workstream 2 is to increase residents access to the private rented sector. The target for 2025/26 is to secure access to 350 private sector tenancies for General Fund homeless households. At the end of November 2025, the target is on track to be met with 290 placements having been secured in this period, representing an average of 36 per month.
10. However, new homeless demand presenting to the council remains high and a growing number of households presenting to the council and placed into temporary accommodation increasingly require private rented housing to meet their need, either to prevent homelessness or move-on from temporary accommodation. Action taken to increase the supply of private rented accommodation over the remainder of 2025/26 and into 2026/27 is continuing.
11. The additional demand for private rented accommodation includes needing to move homeless households on to settled accommodation from short-term temporary accommodation which will need to be vacated to enable regeneration activity in the Hayes area. Hillingdon continues to see high levels of presentation from UK and non-UK nationals, including Chagossians.

### **Workstream 3: Reduce cost of temporary accommodation**

12. The priority for workstream 3 is to reduce the unit cost and therefore overall expenditure on the highest cost temporary accommodation. A price cap has been applied to all spot purchased temporary accommodation and providers of these properties have been subject to negotiation to reduce costs to or below the cap. Overall, this workstream has been delivered at pace, with most negotiations completed and applied by the end of quarter 1. There were 326 active tenancies above the price cap at the start of the workstream, which is now delivered. An additional phase of the workstream has been introduced with 393 active tenancies above a new revised, lower rent cap. By the end of November, this number has decreased to 138 tenancies, a reduction of 255 tenancies (65%). Further work is underway to achieve the full delivery of the price cap programme.
13. Linked to this workstream is a consistent enforcement process for temporary accommodation with regular review meetings having been established with fraud and private sector housing teams.
14. A key plank of workstream 3 is to transition from an expensive nightly charged portfolio of temporary accommodation to a more cost-effective leased portfolio. This workstream had an initial target to secure an additional 100 leased properties for use as temporary accommodation by March 2026. Most of the original target has been met by 87 units secured at Frayswater Place and negotiations are underway to secure a further 17 units from an existing supplier. Additional options to increase the leasing portfolio continue to be considered where these meet the requirements of the Council and offer value for money to residents.

### **Workstream 4: Increase move-on into social housing**

15. The key indicator for this workstream is for a minimum of 36 social housing lettings to be made to homeless households per month. Between April and the end of November 2025, the total number of social housing lettings made which went to homeless households was 186, representing approximately 60.8% of all social housing lettings in this period. A number of properties available for re-letting in this period were smaller units and not suitable for larger bed size need homeless families. As the delivery of new increased housing supply from acquisitions takes effect, move on of homeless families from temporary accommodation will also increase.
16. The council is on track to deliver an ambitious programme of new additional social rented housing to meet the needs of local families. This includes working with a partner to purchase additional properties. A successful bid for grant funding to support the purchases (subject to the individual properties meeting their criteria) has been approved by the Greater London Authority. Additional acquisitions are being made by our in-house teams. During April to the end of November 2025 there have been a total of 165 acquisitions and 100 new build properties for low-cost rent including 68 housing association properties.

### **Empty Homes**

17. In relation to empty homes, our cross departmental working group continues to meet on a monthly basis. An Empty Homes Officer is now in post and is leading on this area of work

and is engaging with landlords, property owners and solicitors where properties are in probate.

### **Priorities over the next quarter**

18. Priorities include action to reduce the cost and usage of temporary accommodation by increasing the supply of private rented sector homes available to prevent homelessness and move-on families from temporary accommodation. Work to secure additional leased properties is ongoing and will help to reduce overall expenditure. Officers are continuing to press for price reductions with landlords for the cost of temporary accommodation per night. The acquisition of new homes by the Council remains a firm priority.

### **Measures of success**

19. The table below provides an update on the measures of success. The measures indicate positive progress including avoiding the use of shared accommodation for homeless families with children and a currently positive trajectory in reducing the overall expenditure on temporary accommodation.

Measure	Target	Baseline	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25
1.Higher % Households whose homelessness is prevented	London Average 54% (Oct-Dec 2024)	31%*	19%	33%	31%	38%	39%	59%	50%	48%
2.Families with children/pregnant women in non-self-con B&B > 6 wks	0	0**	0	0	0	0	0	0	0	0
3.Fewer Hshlds homeless and needing TA	50 max (per month)	62***	52	39	58	62	23	36	58	54
4.Fewer Hshlds in nightly charged TA	Zero by 31/03/2026	736**	780	792	808	828	817	807	818	793
5.Lower overall cost of TA (Gross)	Balanced budget by year end	£1,987,313**	£2,007,305	£2,110,797	£1,924,718	£2,003,068	£2,023,660	£1,961,019	£2,105,583	£2,038,995
6.Lower cost per TA unit (Gross monthly and per night)	Zero over caps set by bedsize	£2,330****	£2,255	£2,356	£2,365	£2,348	£2,392	£2,251	£2,269	£2,322
		£75.15****	£75.18	£75.99	£78.82	£75.75	£77.16	£72.63	£73.19	£74.91
7.Implementation of acquisition and new build development programme (LBH)	300 acquisition 100 new build	19*** 15***	9 0	12 4	25 2	24 0	25 0	33 64	33 30	4 0
8.Fewer households threatened with homelessness (approaches)	600	609***	568	607	604	616	514	568	722	645
9.Private rented sector placements	30	19***	27	39	31	33	32	44	34	50
Of which let to homeless out of TA	20		5	3	4	12	2	5	3	10
10.Lettings to homeless households in TA	36 Revised target	32***	9	15	14	29	23	33	28	35

\*Average 2024/25

\*\* @ 31/3/2025

\*\*\* Monthly average 2024/25

\*\*\*\* March 2025

## 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 have been factored in the budget setting process as part of the MTFS and ultimately aim to drive the total cost of homelessness down.

The report outlines progress that has been made in taking forward actions in the strategy. The impact of these actions has begun to show some positive results especially with procuring properties at lower cost through the rent cap initiative. Changes in Rates between April 2025 and October 2025 are shown below.

Category	April Rates/Unit/day (£)	October Rates/unit/Day (£)	Difference (£)
1 Bed	64.49	59.42	(5.07)
2 Bed	86.73	79.10	(7.63)
3 Bed	99.86	89.15	(10.71)
4 Bed	108.04	100.17	(7.87)
5+ Bed	126.44	110.42	(16.02)

Weighted average rates show a reduction of £7.72 per unit per day from April 2025 to October 2025. This will generate an estimated full year effect of £2.13m cost reduction based on estimated average annual volumes in October 2025.

## 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 provides an update on a previously agreed action plan that 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 note the Financial Implications set out above and the progress on taking forward the Temporary Accommodation and Action Plan, which includes a range of measures to reduce the significant financial pressure to the Council on Temporary Accommodation, noting that these actions are beginning to yield positive outcomes, notably through the rent cap initiative, which is expect to deliver a full year cost reduction of £2.13m based on average annual volumes in October.

The Council's budget strategy approved in February 2025, contains an increase in the budget strategy effectively aiming to fund the additional growth that is in the system, which proposed saving measures included within the Strategy and Action Plan to mitigate the rising Homelessness Support, totalling £3.63m for 2025/26 rising to £5.1m by 2027/28. These measures will be monitored through the demand led financial and activity-based model as part of the wider MTFS refresh for 2026/27 and beyond.

As at Month 7, the Housing Service were reporting a pressure of £5.6m largely driven by Temporary Accommodation and Homelessness Support, with this being a national pressure, but with Hillingdon particularly impacted by having Heathrow within its boundaries having a material impact on supply and demand.

### Legal

This report provides an update to Cabinet and outlines the progress made in respect of the Temporary Accommodation Strategy and Action Plan approved by them in February 2025.

The recommendation is for Cabinet to note the contents of this report and as such Legal Services confirms there are no legal impediments.

## BACKGROUND PAPERS

[Cabinet report 13 February 2025: Temporary Accommodation Strategy & Action Plan](#)  
[Appendix - Hillingdon Temporary Accommodation Strategy and Action Plan](#)

[Cabinet report 26th June 2025: Temporary Accommodation Action Plan Monitoring](#)

[Cabinet report 23 October 2025: Temporary Accommodation Action Plan Monitoring](#)