Hinckley & Bosworth
Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission	6 November 2025
Council	18 November 2025
Wards affected:	All Wards

Supplementary Income Request- to meet homelessness demands and the legal requirement in respect to the provision of Temporary Accommodation

Report of Director (Community Services)

1. Purpose of report

1.1 To seek Council approval for a supplementary income request of £900,000 to meet escalating demands in relation to homelessness provision, with a particular focus on temporary accommodation.

1.2 To advise members of sustained homelessness demand and subsequent financial pressures.

2. Recommendation

2.1 It is recommended that the Council approves a supplementary income allocation of £900,000 for 2025/26.

2.3 Notes the significant pressures facing local authorities nationally and locally in relation to homelessness and temporary accommodation.

2.4 Acknowledges that without sufficient resources, the Council risks longer stays in costly and unsuitable B&B accommodation, with negative outcomes for households.

2.5 Notes the work being progressing to try and prevent reliance on costly, nightly paid accommodation such as B&B in the future.

3. Background to the report

3.1 National Context and Systemic Pressures

3.1.1 The challenges being experienced in Hinckley and Bosworth mirror the national picture. Local authorities across England are reporting record levels of demand, with 131,140 households in temporary accommodation nationally as of March 2025 (Source: MHCLG, Statutory Homelessness in England) the highest number since records began. In 2022-23, councils in England spent at least £1.74 billion supporting households in temporary accommodation. In 2024-25 that spending rose to £2.8 billion for temporary accommodation, a 25% increase on the previous year (Source: Local Government Association).

3.1.2 A combination of national pressures is driving this demand and subsequent financial pressure including:

- Private rented sector reduction: landlords exiting the market and increasing rents beyond Local Housing Allowance levels.
- Legislative change: the abolition of Section 21 “no fault” evictions has resulted in a spike in landlord possession proceedings.
- Housing register bottlenecks: lack of social housing availability means fewer move on options from temporary accommodation.
- Cost of living impacts: more households unable to sustain existing housing, particularly those facing domestic abuse, financial hardship, or family breakdown.
- Cost inflation: sharp rises in nightly paid accommodation costs, leaving many councils over budget.
- Domestic abuse cases: For Hinckley and Bosworth Borough Council this is the highest reason for approaches to our homelessness service and accounts for approximately 27% of all cases in temporary accommodation currently.
- Subsidy/reimbursement shortfall (subsidy gap): Reimbursements are tied to out-of-date Local Housing Allowance Rates and do not cover total costs. Over the last 5 years this has cost councils more than 700 million in costs they are unable to claim (Source: Local Government Association).

3.1.3 These trends have left many authorities, including Hinckley and Bosworth Borough Council, struggling to balance statutory duties with financial sustainability. There is a growing concern among some authorities about sustainability, with some fearing insolvency or needing to issue Section 114 notices as a consequence.

3.2 Hinckley and Bosworth Borough Council Budget Position

3.2.2 Hinckley and Bosworth Borough Council began the 2025/26 financial year with a temporary accommodation budget of £1,110,150. However, escalating demand, rising nightly paid accommodation costs, and increased reliance on bed and breakfast placements have created a forecast shortfall of £900,000.

3.2.3 Without urgent supplementary funding, there is a risk of:

- Breach of statutory obligations under the Homelessness Reduction Act 2017.
- Longer stays in unsuitable accommodation, particularly for families.
- Increased financial liability in the medium term.

3.2.4 Table A illustrates not just the scale of demand, but the associated financial impact of temporary accommodation. Over the last five years, the Council has consistently incurred significant additional expenditure above the starting budget in order to meet statutory duties. The Council receives some Government funding; however, this is almost entirely utilised to sustain staffing provision rather than accommodation costs. The Council currently has only 2 full time equivalent permanent Housing Officer posts, one of which is a supervisory role rather than a frontline officer post. All other posts in this team (currently7.5 in total) are reliant on short term Government funding.

3.2.5 Since 2020, staffing provision has had to increase to respond to sustained service pressures and wider customer needs. Despite this, caseloads remain high, with Housing Officers currently averaging around 60 cases each at any one time. To ease these pressures, additional temporary staff are now being recruited. It is hoped that this will provide resilience, reduce individual caseloads, and support more efficient throughput of homelessness cases, thereby reducing time spent in temporary accommodation.

Table A: Temporary Accommodation Costs

Year	**HBBC budget for B&B**	**Actual spend B&B**	**Variance under/(over)spend**
2019/2020	£151,780	£150,071	£1,709
2020/2021	£199,980	£361,775	(£161,795)
2021/2022	£420,000	£452,804	(£32,804)
2022/2023	£372,650	£642,556	(£269,906)
2023/2024	£464,640	£1,160,959	(£696,319)
2024/25	£1,078,580	£1,355,533.00	£276,953
Estimated Outturn:			
2025/26 forecast	£1,110,150	Predicted spend: £2,010,150,00	(900,000)

Graph B – Starting Budget vs Actual Spend over the last 5

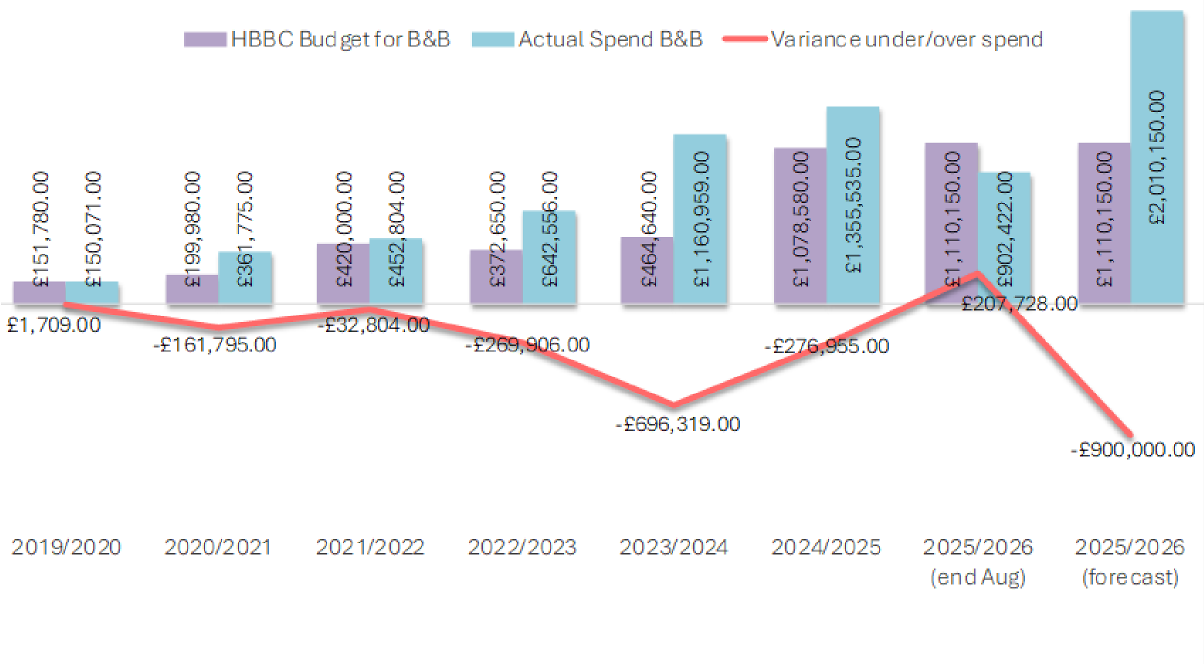

Table C Government Contributions towards Homelessness costs

Table C provides the amount of government funding received by the Council.

Year	Government funding received
2019/2020	£146,744
2020/2021	£176,674
2021/2022	£295,814
2022/2023	£267,946
2023/2024	£234,650
2024/2025	£364,164
2025/2026	£540,085

NB: 100% of the grant funding provided is used to cover staffing resources.

3.3 Current Temporary Accommodation Usage

3.3.1 **Council Owned Stock** -The Council currently uses 11 units of general needs stock for temporary accommodation. In addition the Council has 2 family hostels in use: Illiffe House and John Nichols Street Hostel. Illiffe house has 21 units. John Nichols has 9 units. Both hostels are fully utilised.

3.3.2 **Nightly Paid and Bed and Breakfast Accommodation** -The Council increasingly has a high reliance on costly nightly lets and B&Bs, with a worrying growth in the proportion of families requiring such placements. Many of the Council's Homelessness customers have complex needs, and, therefore, self-contained accommodation is often the only appropriate temporary accommodation solution.

3.3.3 The total number of households in temporary accommodation as of 24 September 2025 was 136.

3.4. Demand Trends

3.4.1 Table C sets out the number of customers in temporary accommodation by year, by cohort and occupation.

Table C- Homelessness Approaches

Year	Families in B&B/TA	Singles in	Total in B&B	Hostel Numbers
2020/21	24 (12.1%)	174 (87.9%)	198 (Covid)	49
2021/22	26 (13.2%	171 (86.8)	197 (Covid)	64
2022/23	64 (30.8%)	144 (69.2%)	208	54
2023/24	88 (43.1%)	116 (56.9%)	204	56
2024/25	82 (33.3%)	164 (66.7%)	246	80
2025/26 (to Sept)	118 (58.4%)	84 (41.6%)	202	38

Trend: Families now make up almost 60% of B&B placements, compared to just 12% in 2020/21.

3.4.2 Strategies to Reduce Reliance on Bed & Breakfast going forward

3.4.3 Development of Council-Owned Portfolio -In July 2025 Council approved the acquisition of 10 properties (20 properties over the longer term) through the General Fund. Two bed properties are the preferred purchase option as this type of accommodation offers the most flexibility in terms of utilisation.

3.4.4 Progress to date:

- 11 properties progressing through legal stages of purchase.
- By January 2026, it is hoped that up to 11 properties are expected to be operational, if not before.
- It is hoped that this approach will provide long term savings, reduce dependence on nightly lets, and give the Council greater control over standards.

3.4.5 Partnership opportunities- In 2024, the Executive approved a partnership with Falcon Support Services to provide accommodation for single customers in priority need. Although an initial property purchase was not completed due to legal issues, a new opportunity may become available with Falcon Support Services which would ultimately have a positive financial impact for the Council.

3.4.6 Strengthened Governance -In response to escalating temporary accommodation (TA) costs and increasing demand a Temporary Accommodation Cost Reduction Strategy and Action Plan is in development. This strategy will provide a structured framework to reduce financial pressures, improve outcomes for residents, and support the Council's statutory duties under the Homelessness Reduction Act 2017.

3.4.7 Shared Temporary Accommodation pilot scheme- As part of the strategy, the Council will pilot a shared living arrangement for single homeless applicants. A two-bedroom flat will be repurposed to accommodate two single individuals, offering a more cost-effective and socially supportive alternative to isolated placements. If successful this type of property utilisation will be increased, noting that it is only suitable subject to a full risk assessment. Given that many individuals that approach the council for homelessness assistance have complex needs, this option has limited scope overall.

3.4.8 Partnership Development- The Council has initiated discussions with a provider to explore the creation of supported living placements for individuals currently in TA. This will help reduce TA costs and provide tailored support and housing management, further creating sustainable move on pathways.

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Open

5. Financial implications [AW]

5.1 The additional £0.9m will fall on the general and is not covered by government funding. This impact has not been included in the budget and will need a supplementary increase agreed at Council. There will be some extra housing benefit income generated, but this will be approximately £0.2m, leaving a net pressure of £0.7m.

5.2 It is highly likely the current homelessness demand will continue for more than one financial year so action is needed to address how the costs can be reduced of supply temporary accommodation as part of the next MTFS review.

6. Legal implications [ST]

6.1 None

7. Corporate Plan implications

7.1 The report aligns to the following objectives of the Corporate Plan:

People: Helping people to stay safe, healthy, active, and in employment.

8. Consultation

8.1 None

9. Risk implications

9.1 It is the council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks

Risk description	Mitigating actions	Owner
Failure to allocate financial resource resulting in failure to meet legal requirements of Homeless Reduction Act 2017	Supplementary income approval	Director of Community Services/Head of Finance Section 151 officer
Reputational Harm- Prolonged use of unsuitable accommodation (e.g. B&Bs for families) may lead to negative media coverage, complaints, and scrutiny from regulators.	Development and Implementation of TA reduction Strategy	Director of Community Services
Inadequate TA provision may result in poor outcomes for vulnerable households, including children, survivors of domestic abuse, and those with complex needs.	Development and Implementation of TA reduction Strategy	Director of Community Services
Financial instability for the Council due to ongoing TA costs	Development and Implementation of TA reduction Strategy	Director of Community Services/Head of Finance Section 151 officer

10. Knowing your community – equality and rural implications

10.1 The objectives of this strategy will help meet the needs of homelessness households, some of the borough's most vulnerable community.

11. Climate implications

11.1 The housing service strives to deliver its services with climate change implications in mind.

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: None

Contact officer: Maddy Shellard
Executive member: Cllr M Mullaney