



## Hincley & Bosworth Borough Council

Forward timetable of consultation and decision making

Council 30 January 2024

Wards affected: All Wards

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### Temporary Accommodation Challenges

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Report of Director (Community & Development Services)

#### **1. Purpose of report**

- 1.1 To update Council on the national crisis being faced by local authorities with regard to homelessness and to highlight the sustained homelessness pressures being faced by this council, resulting in increased expenditure in relation to the provision of temporary accommodation to support homeless applicants and relieve their homelessness, including costs in relation to Discretionary Housing Payments.
- 1.2 To request approval for supplementary budgets to meet these ongoing requirements.

#### **2. Recommendation**

- 2.1.1 That Council notes the current homelessness pressures being faced nationally and by this council.
- 2.1.2 Council agrees to a supplementary expenditure budget of £600,000 to meet ongoing requirements in relation to the provision of temporary accommodation, together with an increased income budget of £100,000 for additional Housing Benefit contributions.
- 2.1.3 Council agrees to a supplementary expenditure of £70,470 to cover rising demand for Discretionary Housing Payments.
- 2.1.4 Council note further work is taking place to explore longer term temporary accommodation options.

### **3. Background to the report**

#### **3.1 National Context**

3.1.1 There has been much media coverage regarding the housing difficulties that many people across the country are facing and the difficulties local authorities are facing in supporting their residents with their housing issues.

3.1.2 The housing crisis in England is further exacerbated by a sustained and significant increase in the number of people housed in temporary accommodation. On 31 October 2023 a National Emergency Homelessness Summit was held with attendance from over 158 local authorities, including officers from this council. Following the summit, a letter facilitated by the DCN and Eastbourne District Council was sent to government to flag the significant risks that increased expenditure on costs associated with the provision of TA is having on local authorities including impacts to the viability of core council service delivery. The letter, which received backing from those councils attending the summit, including Hinckley and Bosworth Borough Council, called for government to priorities the following:

- Raise Local Housing Allowance rates to a level that will cover at least 30% of local market rent and commit to annual uprating. This uplift was announced in the Autumn statement.
  - Provide £100m additional funding for Discretionary Housing Payments in 2023-24 and an additional £200m in 2024-25.
  - Provide a £150m top-up to the Homelessness Prevention Grant for 2024-25.
  - Review the cap for housing benefit subsidy rate for local authority homelessness placements.
  - Develop policy to stimulate retention and supply in the privately rented sector.
  - Give councils the long-term funding, flexibility and certainty needed to increase the supply of social housing.
- Unfortunately, without some if not all these measures being progressed, the council will continue to experience rising and sustained expenditure in relation to the provision of TA, due to ongoing homelessness need.

#### **3.2 Homelessness demand within the borough**

3.2.1 The introduction of the Homelessness Reduction Act 2017 significantly reformed England's homelessness legislation placing additional burdens on local authorities in doing so, including a new requirement to support people with temporary accommodation for up to 56 days to relieve their homelessness.

3.2.2 During and beyond the Covid-19 pandemic, the Housing Options team has continued to see a sustained increase in the number of homelessness approaches and subsequent temporary accommodation requirements. The cost-of-living crisis is also another contributing factor to the number of homelessness approaches to the Housing Options team.

Table 1 shows the number of homelessness approaches, each year, over the last 4 years.

Table 1- Number of homelessness approaches per year including monthly average in brackets

	April 20-March 21	April 21-March 22	April 22-March 23	April 23 to date
Number of approaches for assistance	605 (50)	1,003 (83)	1,168 (97)	716 (102)

### 3.3 Temporary Accommodation requirements within the borough

3.3.1 Table 2 shows the increased number of households in temporary accommodation over the last 4 years. These figures are in addition to the number of households in our hostel provision which is also detailed.

Table 2- Number of households in temporary accommodation

Year	Number of families in B&B	Number of singles in B&B	Total cases in B&B	Numbers in hostel
2020/2021	24 (12.12%)	174 (87.88%)	198 (Covid)	49
2021/2022	26 (13.20%)	171 (86.80%)	197 (Covid)	64
2022/2023	64 (30.77%)	144 (69.23%)	208	54
2023- to date	88 (43.14%)	116 (56.86%)	204	56

3.3.2 The new burdens from the Homelessness Reduction Act, together with requirements during the pandemic led to a significant financial cost to the council. These financial costs are further detailed in Table 4 alongside how these costs are met, eg government funding or general fund contributions.

Table 4- Spend on temporary accommodation over the last 5 years including funding streams.

Year	Government funding received	HBBC budget for B&B	Actual spend B&B
2018/2019	- £148,783.00	£142,000	£147,632
2019/2020	- £ 146,744.00	£151,780	£150,071
2020/2021	- £ 176,674.00	£199,980	£361,775
2021/2022	- £295,814.00	£420,000	£452,804
2022/2023	- £267,946.00	£372,650	£642,556
2023- to date	£234,650	£309,820 (Apr-Nov)r	£760,542 as at end November

Year	Government funding received	HBBC budget for B&B	Actual spend B&B
<b>Estimated Outturn:</b>			
2023/24 forecast*	£234,650	£464,640 p	Predicted spend: £1,064,640

\* The estimated outturn position is £600,000 overspend offset by £100,000 additional Housing benefit contributions.

- 3.3.3 These increases costs could have been expected to be short term due to requirements to accommodate people during Covid, but the costs have continued due to several reasons including:
- New responsibilities from the Homelessness Reduction Act,
  - Shortage of private sector accommodation and private sector rents being beyond the means of many people
  - The rise in no fault evictions (section 21 notices)
  - The cost of living crisis
  - Lack of affordable housing options for people to access, including move on from temporary accommodation.

The lack of secure housing has wider socio-economic impact on health, mental wellbeing, childhood development, productivity, and communities.

### 3.4 Current TA provision

- 3.4.1 Whilst the council operates a family hostel, Iliffe House, accommodation requirements for families exceed those that the hostel can provide, and B&B accommodation is increasingly required to meet current demand. There is currently a 266% additional need for family accommodation beyond this hostel provision.
- 3.4.2 The council has a further hostel, John Nichols Street hostel which, due to the age and design of the property provides limited units of accommodation to customers with low support needs and smaller families.
- 3.4.3 The council does not have a hostel provision that can be used to meet the needs of single homelessness person due to the risks that this cohort is likely to present to staff, other homeless customers and the wider community. As such, reliance on B&B accommodation has been essential to meet the needs of this customer cohort. Work with wider partners is underway to look at potential pathways for this cohort.
- 3.4.4 Housing Benefit subsidy rules dictate that only 90% of accommodation costs can be recovered from HB eligible customers, and there is a growing divergence between the actual cost of the accommodation and what the council can claim to cover costs.

### 3.5 Future Temporary Accommodation options

3.5.1 To ensure that costs to the council are minimised an alternative approach to meeting TA requirements is now a priority for the council and this is currently being developed. The council expects current homelessness demand and subsequent requirements for TA to continue at current levels or increase. As such, opportunities to purchase or develop accommodation for ongoing temporary accommodation need is essential to minimise future expenditure to the council. Further details of these options will be presented to members at a later date.

### 3.6 In year financing requirements to meet current temporary accommodation need

3.6.1 To meet current and projected TA cost for the remainder of this financial year, a supplementary budget of £600,000 is required to meet ongoing requirements in relation to the provision of temporary accommodation, together with an increased income budget of £100,000 for additional Housing Benefit contributions.

### Discretionary Housing payments (DHPO)

3.7 Discretionary Housing Payments (DHP) are advanced by the Revenues and Benefits partnership to help a claimant with rent or housing costs if existing benefits do not cover them. DHP payments can help towards the prevention of homelessness. Demand for help via DHP in 2024/25 has increased by almost a quarter, with an expected year end cost of £149,209, with over 200 claimants already needing help. This increase is still within the threshold set by Government, which restricts the amount an LA can spend on DHP by 2.5 times the level of funding provided. This threshold for HBBC is £196,848. If this amount is exceeded, then no further help can be given, and action may be needed to reduce or ration the support given.

3.7.1 There is an increase in the number of new claimants who, as a consequence of their landlords increasing the rent (due to interest rate rises), are having to apply for a DHP purely based on the increase in the rent which in some cases is as much as £100 per week. The Council has in place £78,739 of funding already, but this is not enough. Therefore a supplementary of £70,470 is being requested. Other Councils are in the same position with rising demand for help.

## **4 Exemptions in accordance with the Access to Information procedure rules**

### 4.1 Open session

## **5. Financial implications [AW]**

- 5.1 To meet current and projected temporary accommodation cost for the remainder of this financial year, a supplementary budget of £600,000 is required along with an increased income budget of £100,000 for additional Housing Benefit contributions.
- 5.2 The pressure on homelessness is likely to continue for the foreseeable future with increased pressure on budgets. the MTFS will need to be amended to reflect these increases.
- 5.3 In order to bring the potential costs down, further work on suitable alternative facilities for temporary accommodation will need to be evaluated before final cost pressures for future years are established. These alternatives should help to reduce the almost £0.9m annual bill that the council could now be facing in future years.
- 5.4 The DHP supplementary will increase the cost falling on the general fund by £70,470.

## **6. Legal implications [ST]**

- 6.1 Please see the body of the report.

## **7. Corporate Plan implications**

- 7.1 Council endorsement of this report will support the following corporate objective. People: Support vulnerable people and those who are most in need.

## **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
Inability to meet statutory duties	Supplementary income approved	Maddy Shellard
Inability to support vulnerable people		

## 10. Knowing your community – equality and rural implications

- 10.1 Approval of the supplementary income request will enable the Housing Options service to continue to meet its responsibilities and support vulnerable groups in accordance with statutory requirements.

## 11. Climate implications

- 11.1 The Housing Options service continues to deliver its services in way to minimise carbon emissions.

## 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

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Background papers: None

Contact officer: Maddy Shellard 5746

Executive member: Councillor M Mullaney