

## CONFIDENTIALITY

The contents of the appendix to this report qualifies as exempt information under section 100(A)(4) and paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it is “*information relating to the financial or business affairs of any particular person* (including the authority holding that information)”

and

2) In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs. Accordingly, it is proposed that the appendix shall remain exempt.

**URN:** 22-215

**Subject:** Homelessness Update and Temporary Accommodation Acquisition

**Report to:** ELT 12 October 2022  
Housing and Neighbourhoods Committee 10 November 2022  
Full Council 15 December 2022

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## SUBJECT MATTER/RECOMMENDATIONS

This report provides an update on temporary accommodation usage, current homelessness pressures and requests approval to purchase 6 x 2-bedroom flats to increase the Council’s portfolio of temporary accommodation.

### Recommendations:

#### That Housing and Neighbourhoods Committee:

1. Approve the acquisition of 6 x 2-bedroom flats to increase the Council’s Temporary Accommodation portfolio.
2. Recommend to Full Council the approval of the expenditure and borrowing set out at paragraph 1.3 of the Confidential Appendix.
3. Delegate decisions in relation to the acquisition of the properties in accordance with the Property Acquisitions and Disposals Policy to a Strategic Director and the Section 151 Officer.
4. Delegate decisions in relation to the works required on the properties and applicable expenditure to the Housing Director.

## 1. Introduction

The Council has statutory duties under the Housing Act 1996 and the Homelessness Reduction Act 2017 to provide temporary accommodation to certain homeless households. The initial duty is to accommodate anyone the Council believes may have a priority need when they present as homeless and the Council accepts a Relief Duty. Should the Council be unable during the next 56 days to relieve the homelessness and discharge its Relief duty by securing accommodation for the homeless household, a further duty exists to provide temporary accommodation should the Council determine that the homeless household has a priority need. This latter test has a higher bar.

To meet the need to provide temporary accommodation, the Council has a portfolio of 20 properties which are held in the General Fund<sup>1</sup> and 14 leased properties. In addition, the Council's housing stock provides a pool of additional properties which are used, with 27 properties in use at 1 November 2022. Bed and Breakfast/hotel accommodation continues to be required to be needed to meet temporary accommodation needs, although the use for families is minimised as much as possible and restrictions apply to the duration of use. In addition, when required the Council will use chalets/static caravans on holiday parks or other self-contained holiday properties for temporary accommodation.

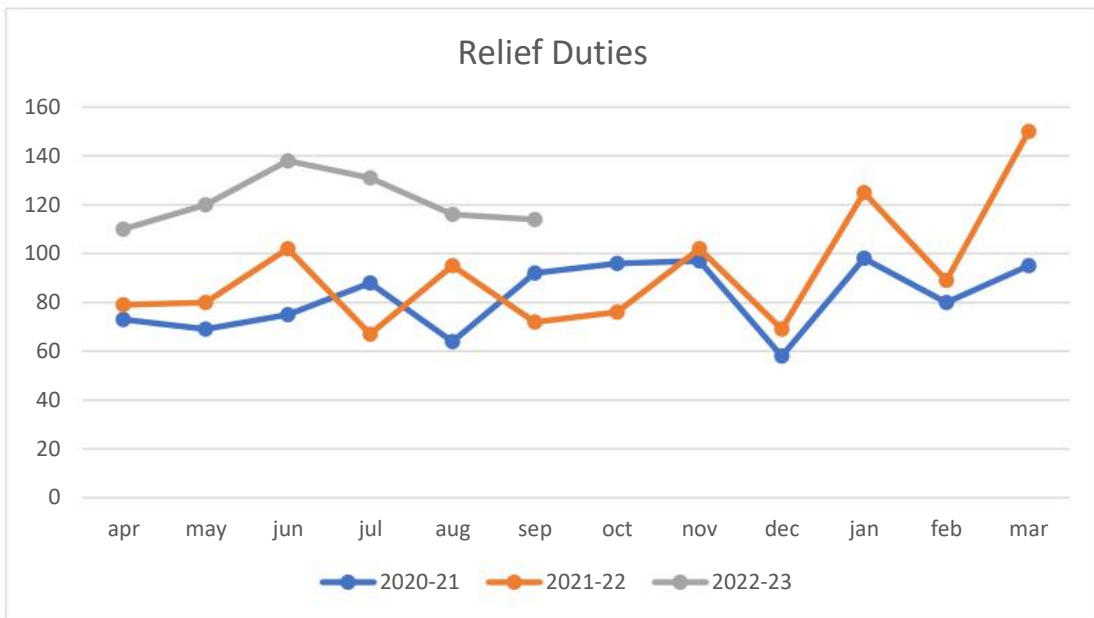
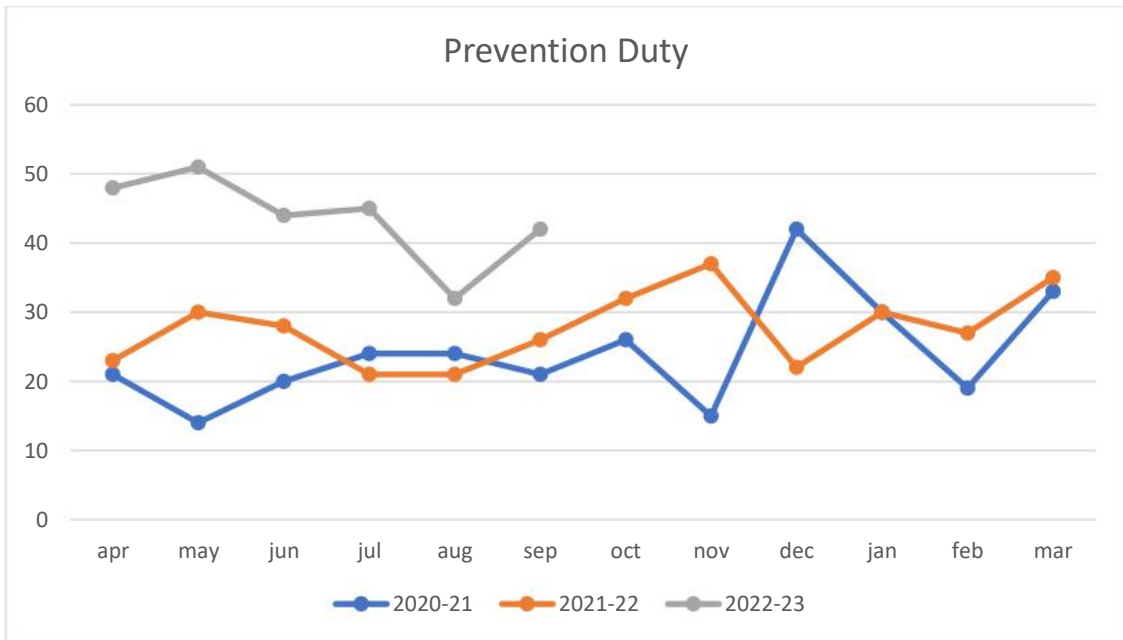
- 1.2 This report provides background information on the current position re homelessness presentations and usage of temporary accommodation and seeks approval to acquire six additional properties to be held in the General Fund for use as temporary accommodation.

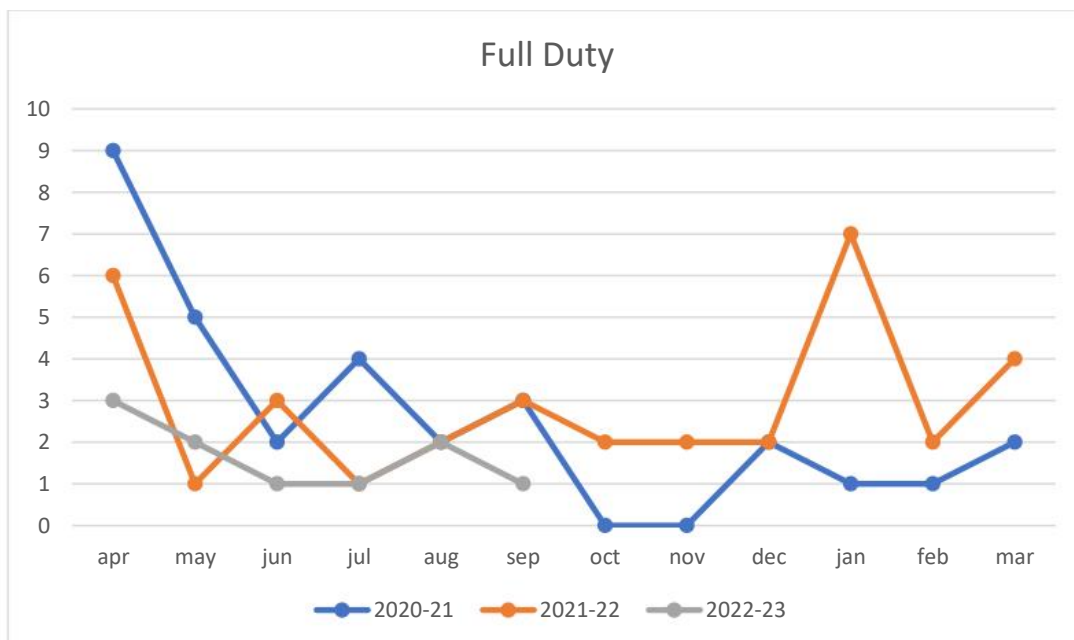
## 2. Homelessness pressures

- 2.1 The number of homelessness presentations has changed over the last few years reflecting the impact of the Covid-19 pandemic, eviction bans and the "Everyone In" initiative. The graphs below shows the number of homelessness acceptances at the Prevent, Relief and Full Duty stages since 2020/21:

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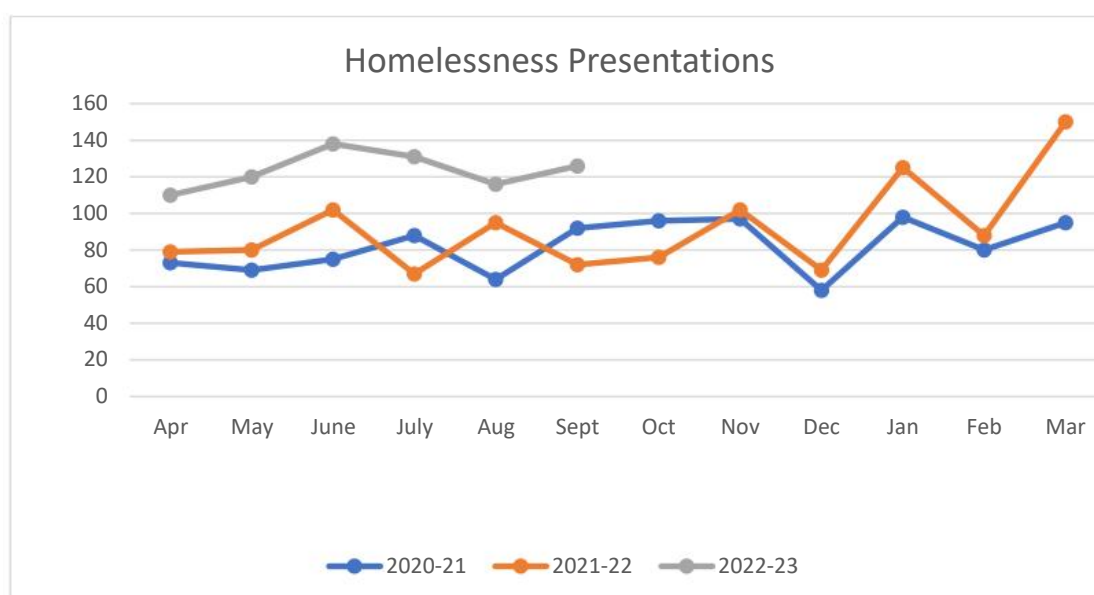
<sup>1</sup> This excludes the five Housing First properties which technically form part of the Council's temporary accommodation portfolio, but their use is restricted via the Homes England grant conditions and are therefore not available for wider temporary accommodation use. The same will apply to the Transitional Housing Scheme properties.





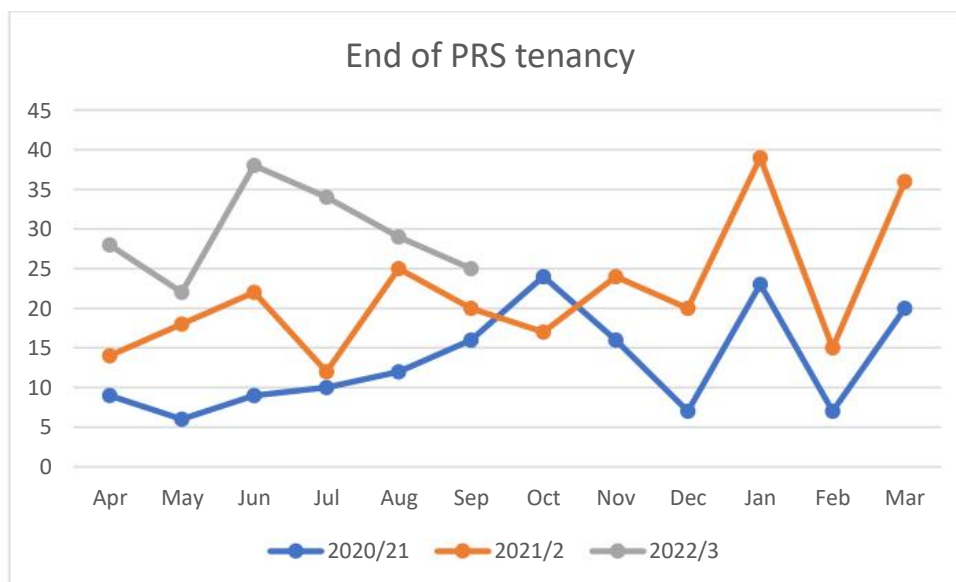
As can be seen from the graphs above, the number of homelessness prevention and relief duties accepted this year is consistently higher than the last two years. This reflects an increase in homelessness presentations this year in comparison to previous years, with an average 62% increase in the number of presentations this year over the period from April to September on the presentations in 2020/21. See table and graph below.

Homelessness Presentations	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
2020-21	73	69	75	88	64	92	96	97	58	98	80	95	985
2021-22	79	80	102	67	95	72	76	102	69	125	88	150	1105
2022-23	110	120	138	131	116	126							741



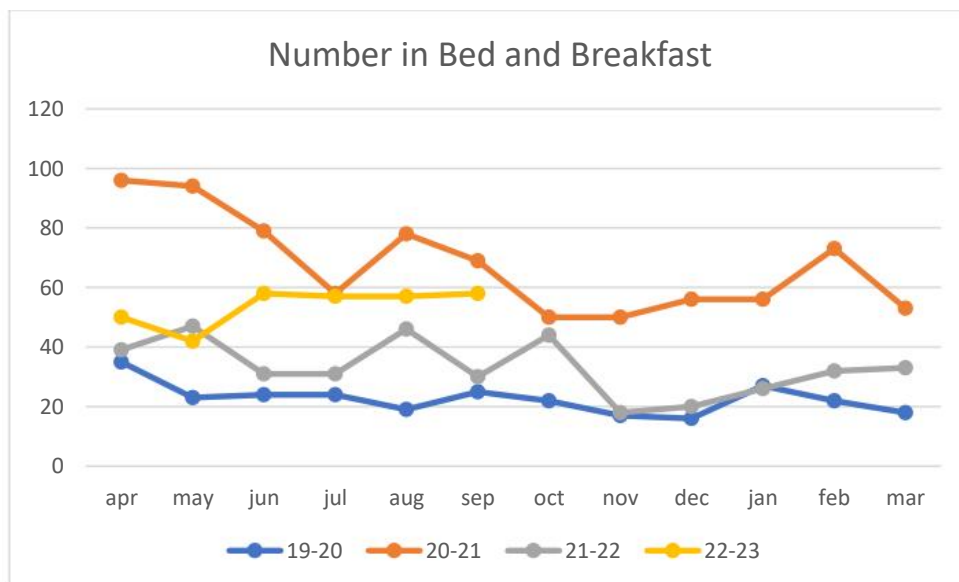
2022/23 appears to be tracking more closely the trend in 2020/21 than 2021/22. Assuming there is no continued growth in the number of homelessness presentations, based on current numbers, by 31 March 2023, the number of homelessness presentations will total 1482.

2.2 To minimise the need for temporary accommodation, the Council does seek to prevent as much homelessness as possible, however, this relies on households approaching the Council before they become homeless and also on the Council being able to prevent existing accommodation from being lost and where this is not possible, securing alternative accommodation before the original accommodation becomes unavailable. Forthcoming changes to the requirements on private sector landlords is leading to more Section 21 notices being served by landlords looking to sell homes to exit the sector. Currently around 30 presentations per month are due to the serving notice of notices by Private Rented Sector (PRS) landlords, an increase on historic levels of presentations.

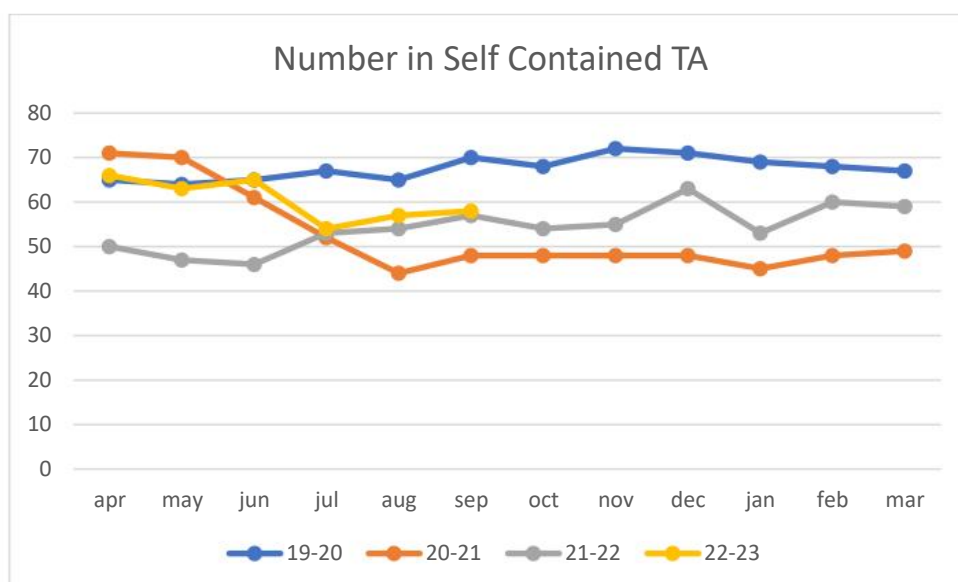


2.3 The need for temporary accommodation is driven by the number of homelessness presentations for whom there is a duty to provide temporary accommodation and the numbers of individuals already placed in temporary accommodation for whom decisions are yet to be made or who are awaiting an offer of accommodation to discharge the applicable homeless duty. Offers of suitable accommodation can be the offer of a social home or a PRS property. However, the combination of the increasing number of PRS landlords selling homes and increasing PRS rents is making it harder to discharge homeless duties into a PRS property. It is therefore expected that the timescale for households to stay in temporary accommodation will be increasing which means the overall need for temporary accommodation increases.

2.4 The graph below shows the numbers of households in temporary accommodation per month for the financial years 2019/20 to present. 2020/21 is an outlier due to “Everyone In”.



The graph below shows the number of households in self-contained accommodation:



2.5 Based on homelessness trends which are higher during October to March than Q1 and Q2, it is expected that the total number of homelessness presentations could reach 1674 this financial year. Predicting the number of homelessness presentations in 2023/4 is harder, but reflecting the current cost of living crisis and a continued departure of private rented sector landlords, it is expected there could be at least an additional 10% increase on homelessness presentations on this year – totalling 1842 or an average of 153 per month.

2.6 The increasing demand is having a twofold impact, firstly on the caseloads of Housing Options Advisors, this is being closely monitored. Secondly it is placing pressure on the Council's temporary accommodation provision, forcing the Council to rely more and more on expensive chalet provision and Bed and Breakfast/Hotel use.

### 3 Opportunity to acquire additional temporary accommodation

3.1 The Council was approached by a Registered Provider who have a block of six x two-bedroom flats, constructed in 2008 which they intended to dispose of. These flats are in one block with direct street access to a lobby which in turn provides access to each of the six flats. The flats

are small, ranging from 44m<sup>2</sup> to 49m<sup>2</sup>, in comparison, the Council’s new one-bedroom flats being constructed at Jubilee Court are 50m<sup>2</sup>, reflecting the Nationally Described Space Standards.

- 3.2 Whilst small, these flats provide an opportunity to increase the Council’s portfolio of temporary accommodation as they:
- Are centrally located in Great Yarmouth
  - Are in one block making them more efficient to manage
  - Are a recent build, requiring no major works to meet the required standards
  - Have an EPC rating of C (some EPC which are expired are at a B)
  - Have a small yard to the rear so there is no garden area to maintain
  - Provide flexible accommodation being suitable for a single person or a small family as the lounge can also be used as a sleeping area (the assessment test for suitability of accommodation is lower for temporary accommodation than permanent housing).
- 3.3 An offer to acquire the six flats has been made and the decision as to whether the Council’s offer will be accepted is awaited. This report therefore seeks approval, subject to the Council’s offer being accepted, to acquire the properties and to incur the required expenditure and borrowing to purchase the properties and carry out initial maintenance and improvement works.
- 3.4 The Council continues to monitor the need for temporary accommodation and is reviewing other options to increase the temporary accommodation portfolio.

#### 4. Financial Implications

- 4.1 The table below shows actual expenditure on temporary accommodation (leased, General Fund owned and Bed and Breakfast), income and the net cost to the General Fund from 2019/20 to current. For comparison purposes the 2022/3 approved budget is also shown.

	2019/20	2020/21	2021/22	2022/23 to P6	2022/3 BUDGET
Temporary Accommodation Expenditure	£332,370.50	£380,217.40	£593,419.07	£361,950.06	£295,262
Temporary Accommodation Income	£262,015.73	£300,736.57	£416,289.29	£231,474.96	£190,000
<b>Net Cost to General Fund</b>	<b>£70,354.77</b>	<b>£79,480.83</b>	<b>£177,129.78</b>	<b>£130,475.10</b>	<b>£105,262</b>

Note, this table does not include temporary accommodation costs from “Everyone In” which have been separately accounted for in the General Fund budgets.

- 4.2 Based on the expected increase in homelessness presentations which result in temporary accommodation required, the table below shows likely spend this year and next year:

	<b>Expected 2022/3</b>	<b>Expected growth 2022/23</b>	<b>Expected 2023/24</b>
Temporary Accommodation Expenditure	£485,580.34	£548,705.78	£685,882.23
Temporary Accommodation Income	£291,710.32	£329,632.66	£412,040.83
<b>Net Cost to General Fund</b>	<b>£193,870.02</b>	<b>£219,073.12</b>	<b>£273,841.40</b>

As can be seen from the above, current trends indicate that the net cost to the General Fund for temporary accommodation is expected to rise from £177k in 2021/2 to at least £194k this year and grow further (reflecting increasing cost of non-owned/leased provision and increasing demand) to £273k. It assumes that current income recovery rates as a proportion of spend remain unchanged.

- 4.3 The table below shows the difference in cost to the General Fund of the differing forms of temporary accommodation based on housing 6 households (one a single/couple/expectant mother and five a family). It assumes that the households will remain in that form of provision for one year for comparison purposes only and includes allowances for bad debt and where applicable void loss. It shows that each form of provision has some cost to the General Fund and that use of Bed and Breakfast and chalet accommodation are the two most expensive forms of provision.

	<b>Bed and Breakfast</b>	<b>Leased Properties</b>	<b>Chalets</b>
Weekly Cost	£2,210	£887	£4,080
Weekly Income	£500	£516	£544
Net Cost to General Fund per week	£1,710	£371	£3,536
<b>Annual cost to the General Fund</b>	<b>£88,920</b>	<b>£19,292</b>	<b>£183,872</b>

- 4.4 The confidential appendix provides details of the costs of acquiring the six properties and how this will be funded.

## 5. Risk Implications

- 5.1 Acquiring six additional temporary accommodation properties Should there in the future not be a requirement for these properties to be used as temporary accommodation there are two exit strategies:

- Dispose of the properties to the Housing Revenue Account – this will allow any remaining borrowing to be repaid on the homes. (The HRA may want to incur some additional expenditure to convert the properties to one-bedroom flats by removing the dividing bedroom wall.)
- Dispose on the open market or to Equinox Property Holdings, should the properties meet the requirements of the latter's business plan.

## 6. Legal Implications

- 6.1 The Council has a legal obligation to provide temporary accommodation as set out at 1.1 above. The Council is able to acquire homes and hold them in the General Fund for temporary accommodation.

## 7. Conclusions



7.1 This report provides information on the increasing number of homelessness presentations to the Council and the impact on the use of temporary accommodation. It seeks approval to acquire six x two-bedroom flats in order to increase the Council's portfolio of temporary accommodation.

## 8. Background Papers

Acquisitions and Disposals Policy – Council 23 February 2021

Appendices: Confidential Appendix

Area for consideration	Comment
Monitoring Officer Consultation:	Through ELT
Section 151 Officer Consultation:	Through ELT
Existing Council Policies:	N/A
Financial Implications (including VAT and tax):	At section 4 and in the Confidential Appendix
Legal Implications (including human rights):	Included in section 6
Risk Implications:	Included in section 5
Equality Issues/EQIA assessment:	Acquiring six additional properties for temporary accommodation will increase the range of self-contained properties available to house homeless households. The properties will be suitable for a single person, couple or small family.
Crime & Disorder:	Not applicable
Every Child Matters:	Increasing the number of owned temporary accommodation properties will ensure families are less likely to need to be placed in bed and breakfast/hotel accommodation or if placed, reduce the timescale for any stay. The additional temporary accommodation properties will be fully self-contained.