

Local Government Association Briefing Backbench Business Debate on Temporary Accommodation

Tuesday 7 November 2017



Key messages

- Homelessness is a tragedy for all those it affects, and is one of the most visible signs of the nation's housing crisis. It is damaging for individuals, families and communities, and limits peoples' ability to play a full and active role in society and the economy.
- The increase in homelessness pressures across the country is causing major concern to local government. Many councils are finding it difficult to provide suitable accommodation for families facing homelessness at a cost that is sustainable. This is because the number of households in temporary accommodation has been rising consistently over the last ten years.ⁱ
- Our latest figures show councils are currently providing temporary housing for 77,240 households, including 120,540 children, which is a net increase of 32,650 (37 per cent) since the second quarter of 2014.ⁱⁱ
- Placements in temporary accommodation can present serious challenges for families. It can harm parents' employment and health, and impact on children's ability to focus on school studies and form friendships. Evidence suggests that those who are unfortunate enough to be homeless present a greater cost to the NHS and social care, than those who live in secure housing.ⁱⁱⁱ
- Councils are making every effort to end homelessness by preventing it happening in the first place. This includes working with partners to place people into secure, appropriate accommodation.
- Everyone needs a home that is affordable, good quality and is well-supported by local services and infrastructure. The country needs to build 250,000 homes a year to keep up with demand. The last time housebuilding reached this level, in the 1970s, local government built around 40 per cent of them.
- Bold new action is needed to solve our housing crisis and a renaissance in house building. That is why in our Autumn Budget submission, we are calling on the Government to:
 - Use its balance sheet to make cheaper finance available to councils seeking to acquire homes for the use of homeless households at scale.
 - Re-establish self-financing from 2020, lifting the borrowing cap, and providing a sustainable long term financial framework for councils.
 - Redefine affordable housing as that costing 30 per cent of household income or less.^{iv}

Briefing

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Background information

The rise in use of temporary accommodation

Temporary accommodation is needed when a council has a statutory duty to accommodate a household but does not have access to, or is unable to make immediately available, settled accommodation. Households living in temporary accommodation are considered legally homeless.^v

The number of households approaching councils as homeless has been increasing as housing costs rise above incomes. Latest figures show councils are currently housing 77, 240 homelessness households in temporary accommodation, including 120, 540 children. This is a 10 per cent rise on the previous year, with use of temporary accommodation outside London now rising fastest.^{vi}

Expenditure on temporary accommodation has been placing increasing demands on local authority budgets, and the net cost for councils has tripled in the last three years. This is unsustainable for councils, and disruptive for families. The unaffordability of private sector accommodation, particularly for people on low to median incomes, or in receipt of housing benefit, has spread to more and more areas of the country.

The increasing unavailability of affordable housing further limits the options for councils trying to find settled and temporary accommodation for those that need it. As a result councils are increasingly using the most expensive, least desirable forms of emergency temporary accommodation, such as bed and breakfast (B&B) and nightly rated accommodation, and having to house families for longer periods of time.

Local authorities are working hard to improve this situation. We are pleased that the Government has committed to enabling councils to build more homes and will do everything we can to support this effort. But new affordable homes will not appear overnight. Councils are having to demonstrate considerable innovation in tackling homelessness, and in providing sustainable accommodation to their residents.

Homelessness

Homelessness is increasing. Loss of tenancy now triggers a third of all new homelessness cases, as rents rise and reduced welfare assistance limits landlords' capacity to provide for low-income households. The last six years have seen a 44 per cent increase in the number of homeless households and a 102 per cent increase in rough sleeping.^{vii}

Despite overall growing rates of homelessness, local government is increasingly successful in preventing it. In 2015/16 more than 90 per cent of households helped by councils had their homelessness prevented.^{viii} However councils cannot tackle rising homelessness on their own, particularly as people most vulnerable to homelessness often need access to other services to overcome challenges, such as mental health or addiction issues.

To help end homelessness we call for the Government to make cheaper finance available to councils seeking to acquire homes for the use of homeless households at scale. Alongside this Government should lift the Local Housing Allowance (LHA)

freeze in the private rented sector, and link the allowance to the change in rent levels. Councils also want to see temporary accommodation exempted from the overall benefit cap.

The Homelessness Reduction Act, which comes into force in 2018, and the associated funding announced for councils to carry out their duties, is positive. It will drive councils to intervene earlier to prevent homelessness and is likely to result in people getting more help than previously. However, this will not address overall issues of housing affordability, and there is therefore a risk in some areas that it will add to councils' administrative burden.

Tackling the housing crisis

The wider housing crisis which is facing the nation is having a significant impact on the number of people using temporary accommodation. For a number of years there has been a failure to match housing demand with supply, as well as to build a sufficient number of homes of all types across both the social and private sector.

The country needs to build 250,000 homes a year to keep up with demand. The last time housebuilding reached this level, in the 1970s, local government built around 40 per cent of them. Bold new action is needed to solve our housing crisis and a renaissance in house building by councils must be at the heart of this.^{ix} Councils need financial flexibilities and a sustainable long term financial framework to invest in new homes, of all tenures, through Housing Revenue Accounts and other ventures

LGA Budget Submission

The LGA's submission the Autumn Budget 2017 sets out how, with the right funding and powers, councils can continue to lead their local areas as we leave the European Union (EU).^x Our submission makes positive recommendations on a range of policy areas with the intention of empowering all parts of local government, including dealing with our housing and homelessness crises. We are calling on the Government to make cheaper finance available to councils to acquire homes for homeless households; exempt temporary accommodation from the overall benefit cap; lift the housing borrowing cap for local authorities; and redefine affordable housing as costing 30 per cent of household income or less.

ⁱ [LGA Autumn Budget Submission 2017](#)

ⁱⁱ [Council Innovation and Learning in Housing our Homeless Households, LGA report, July 2017](#)

ⁱⁱⁱ [The Impact of Homelessness on Health: a guide for local authorities, LGA report, September 2017](#)

^{iv} [LGA Autumn Budget Submission 2017](#)

^v [Council Innovation and Learning in Housing our Homeless Households, LGA report, July 2017](#)

^{vi} [Council Innovation and Learning in Housing our Homeless Households, LGA report, July 2017](#)

^{vii} Live tables on homelessness, DCLG, 2017

^{viii} Live tables on homelessness, DCLG, 2017

^{ix} [LGA Autumn Budget Submission 2017](#)

^x [LGA Autumn Budget Submission 2017](#)