

**Committee Name and Date of Committee Meeting**

Delegated Officer Decision – 18 June 2024

**Report Title**

Review of Temporary Accommodation Portfolio

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

**Report Author(s)**

Phil Hamilton – Furnished Homes & Temporary Accommodation manager

**Ward(s) Affected**

Borough wide

**Report Summary**

The purpose of this report is to give approval to increase the current temporary accommodation portfolio by 16 units.

The 16 additional properties will come from a mixture of acquisitions and the current general needs stock.

The service aims to utilise the LAHF funding and HRA funding to purchase 16 additional properties.

**Recommendation**

Agreement to increase the temporary accommodation portfolio by 16 units utilising a mixture of acquisitions (via LAHF funding) and the current general needs stock.

**List of Appendices Included**

None

**Background Papers**

None

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## 1. Background

- 1.1 The Council has 115 self-contained temporary accommodation (TA) properties and 13 additional properties ring-fenced for people who experienced domestic violence.
- 1.2 These properties vary in size, adaptation, and location throughout the Borough.
- 1.3 More recently the use of the Council's TA properties has been supplemented with the use of hotels / B&B accommodation. The cost of this is becoming a significant pressure on the General Fund budget.
- 1.4 Prior to the COVID pandemic in 2019 and particularly, the Government's 'Everyone In' initiative, the TA portfolio stood at approximately 60 self-contained TA properties and the use of hotels / B&B accommodation was minimal.
- 1.5 In response to the 'Everyone In' initiative, the Council had to react, sourcing additional TA properties from the voids list at that point to meet the increased demand and ensure any vulnerable person had safe accommodation to be placed. As such, this meant, properties were acquired based on what was available, not necessarily what was needed.
- 1.6 The current picture is that Homelessness and TA is continuing to rise rapidly across England due to the economic impact of inflation, private landlords exiting the rented market and ever-decreasing availability of social housing as a tangible move-on solution. The problem will be exacerbated throughout 2024 due to the rise in interest rates which inevitably will feed through to high rates of mortgage repossessions. Mortgage repossessions do not appear as a cause of homelessness demand in RMBC currently. During the last major economic crash in 2008 repossessions nationally accounted for 12% of homeless demand from families.
- 1.7 In Rotherham, the demand on TA and hotel usage rose 19.42% from 2022/2023 – 2023/2024.
- 1.8 **Local Authority Housing Fund (LAHF)**  
In December 2022, the Local Authority Housing Fund (LAHF) was announced, with an initial aim of providing longer term accommodation for Afghan and Ukrainian families who have arrived in the UK via various resettlement schemes. Although in later rounds of funding the eligibility criteria was widened to include provision of homes for those facing homelessness.
- 1.9 In January 2024, new proposals were invited based on DLUHC reallocating uncommitted funding.
- 1.10 Rotherham submitted an EOI for the uncommitted LAHF funding, requesting £1.366m. Funding was requested to support the acquisition of 16 properties to meet the needs of people facing homelessness in the area.
- 1.11 The proposal was to allow for an increase in housing stock to meet the urgent need for homelessness and temporary accommodation, in line with the Homelessness and Rough Sleeper Strategy agreed by Cabinet in 2023.

## 2. Key Issues

- 2.1 In October 2023 a service review of RMBC’s Homeless Service was undertaken and it was identified that the number and type of Temporary Accommodation properties in the portfolio is not meeting current or future needs
- 2.2 The current TA portfolio is condensed in area and is disproportionate in size based on demand.
- 2.3 An analysis of families placed in hotel and none RMBC accommodation from March 2023 – April 2024 and then January 2024 – April 2024 was taken and evidenced the below:

<b>March 2023 – April 2024</b>	
<b>Family placements in none RMBC temporary accommodation</b>	<b>Weekly average (number of family placement)</b>
Families in Hotels	6.6
Families in None RMBC accommodation	3.1
<b>January 2024 – April 2024</b>	
Families in Hotels	6.1
Families in None RMBC accommodation	2.1

## 3. Options Considered and Recommendation

- 3.1
- **Option 1 - Do nothing** - This is not the recommended option due to factors outlined in section 2 – pressures on hotel usage and not having a TA portfolio to meet demand and need.  
If no action was taken, then the Council would not be able to utilise the LAHF funding outlined in section 1.8 – 1.11.
- 3.2
- **Option 2 - Agreement to increase the temporary accommodation portfolio by 16 units. (Recommendation)**  
This will help to ensure the Homeless Service can meet its statutory responsibilities to provide suitable temporary accommodation for homeless individuals and families.

## 4. Consultation on proposal

- 4.1 The decision has been consulted on at Homeless Improvement Board meetings chaired by the Assistant Director of Housing, and in the Temporary Accommodation and Homeless task groups.

## 5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing is accountable for implementing this decision.
- 5.2 Following the decision, the portfolio of temporary accommodation will be increased by an additional 16 units once the properties have been purchased.

**6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

6.1 The LAHF grant funding is contributing 40% to the purchase price of 16 properties for Homelessness pressures and up to £20k per property for refurbishment, legal costs, etc. HRA resources are funding the balance of the costs. Total purchase price is anticipated at £2.616m, with LAHF funding contributing £1.046m towards this. The HRA will fund the balance of £1.570m. Purchase costs could be higher or lower than the average value assumed per property of £163.5k. Once these properties are no longer needed as Temporary Accommodation, the intention is they will revert to use as general needs housing.

6.2 The current portfolio of 115 HRA properties for use by the Homelessness service were approved by previous ODRs at nil rental charge resulting in a loss in rental income to the HRA. It was agreed that rent income would be paid to the HRA where possible. In 2024/25 rent of £187k is budgeted to be paid to the HRA. The GF pays the repairs and maintenance (R&M) costs of the properties, which is a saving to the HRA. Based on an average cost per property of total R&M budgets this equates to a notional saving to the HRA of £1,232 per property. The table below shows the net impact on HRA finances.

6.3 The use of 16 additional properties for Homelessness activities would be an opportunity cost of rent lost to the HRA of circa £76k per annum, again offset by homelessness picking up the day-to-day costs of the properties. The cost of maintenance will depend on various factors including the age of the properties.

6.4

Financial impact on the HRA	Annual Rent Income Reduction	Rent to be paid by GF	R&M Savings	Net cost to HRA
115 existing properties	546,893	187,000	141,742	218,151
16 additional properties	76,089	0	-19,721	56,369
Total potential Impact on HRA	622,982	187,000	161,462	274,520

6.5 The 16 properties will need to be set up for use as Homelessness properties with carpets, furnishings and white goods. This will be between £6k and £7k circa per property.

6.6 There will be increased costs for ongoing management within the Homelessness portfolio, but this will be significantly cheaper than the use of hotels for homeless people and families. The average cost of an hotel room per night in 2023/24 was £78.95. The 16 additional properties could save the GF circa £460k per annum in hotel costs (assuming full occupancy for 16 properties over the year).

**7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 Section 206(1) Housing Act 1996 provides that where a housing authority discharges its duty to secure that accommodation is available for a homeless applicant, that accommodation must be suitable. Chapter 17.2 Homelessness Code of Guidance for Local Authorities confirms the requirement to provide suitable accommodation applies in respect of all powers and duties to secure accommodation under Part 7, including interim duties.
- 7.2 Failure of the Homeless Service to comply with the statutory requirement to provide suitable accommodation may result in the applicant requesting an internal review, followed by the issue of county court appeal and/or judicial review proceedings.
- 7.3 The recommendation should help to ensure the Homeless Service will meet its statutory responsibilities to provide suitable temporary accommodation for homeless individuals and families

## **8. Human Resources Advice and Implications**

- 8.1 There are no HR implications arising from the report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 The recommended change is likely to produce benefits for other teams and directorates, particularly in contributing to local targets on homelessness prevention and sustainable tenancies.
- 9.2 The change is likely to benefit families and children with safe, self-contained temporary accommodation within Rotherham, and reduce the likelihood of families and children being placed in hotel or B&B accommodation.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 The additional properties will bring a positive impact, in particular for families as they will be provided with fully furnished, self-contained accommodation.

## **11. Implications for CO2 Emissions and Climate Change**

- 11.1 This proposal has no additional impact on emissions.

## **12. Implications for Partners**

- 12.1 There are no implications for partners.

## **13. Risks and Mitigation**

- 13.1 The proposed additional properties mitigate the risk that the existing provision of temporary accommodation is insufficient to meet the statutory duty to provide temporary accommodation for homeless households.

## **14. Accountable Officers**

- 14.1 Ian Spicer, Strategic Director of Adult Care, Housing and Public Health  
James Clark, Assistant Director of Housing  
Sandra Tolley, Head of Housing Options

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manager*