

Emergency/Temporary Accommodation

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Overview

This presentation sets out:

- TA Expenditure – Nationally
- Croydon position
- Key Issues
- Challenges
- Budget Position
- What are we doing?
- Next steps
- Business case for Temporary Accommodation Review and new Temporary Accommodation Strategy.

TA Expenditure - Nationally

- In 2019/20, Councils spent £1.19bn on temporary accommodation, up 9% from the amount spent in previous year and up 55% from 2014/15.
- Three-quarters of the spending in £638 million – was funded by housing benefit, of which £585 million was recovered from the Department for Work & Pensions.
- Over the same period spending on other components of homelessness services – mainly prevention, support, and administration – fell by 9% in real terms from £334 million to £303 million.
- Nationally there are 95,370 households in TA

Croydon position

- 2096 households in TA in Croydon
- 686 in Nightly paid accommodation which is expensive
- Homeless Reduction Act Enacted April 2018 has added additional demand
- Lifting of evictions ban post Covid-19 will increase homelessness
- Issues with lack of supply for long term TA, Discharge of Duty.

Key Issues

- Demand for Temporary Accommodation (TA) continues to increase. Currently 2096 which includes 686 in expensive nightly paid accommodation.
- Limited Supply – only 562 (LBC 361) (HA 201) Social Housing lets in 2020/21.
- Non competitive PRS schemes.
- Welfare Reform/Benefit Cap.
- Housing Benefit/Subsidy and Cap Regulations.

Challenges

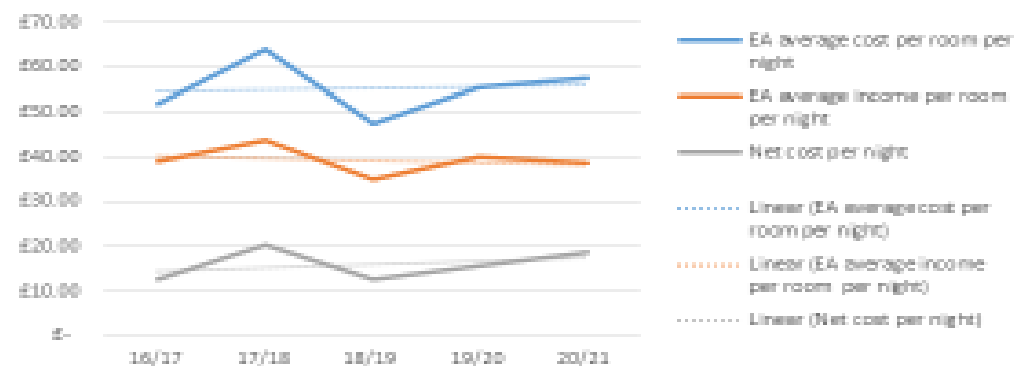
- Demand for TA continues to rise leading to increased costs for Emergency Accommodation (EA).
- Reducing EA & TA numbers to ease budget pressures.
- To balance meeting the increase in demand against rising costs in competitive private sector market.
- Creating a competitive offer for landlords and agents that brings in additional supply and drive down costs.
- Procuring larger/adapted units for discharge of duty and for use as TA.

Budget Position

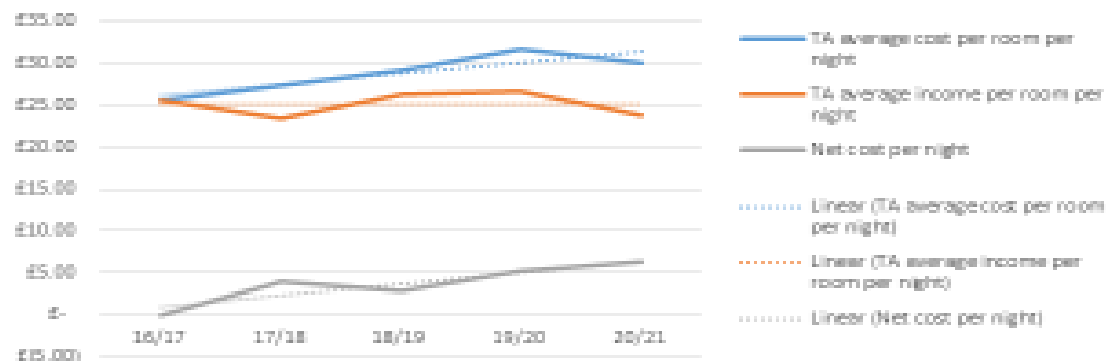
Accommodation costs

- Net cost of EA is on average the cost of TA – almost any move from EA to TA will be cost effective
- Costs have been rising with inflation whilst income has remained steady due to frozen LHA/Housing Benefit Regulations which restrict rent charges in Private Leased Accommodation
- EA currently costs on average £6,891 per annum and TA costs £2,274 per annum

EA cost and income per night



TA cost and income per night



What are we doing?

- The viability of the schemes are being reviewed;
 - GRS (Guaranteed Rent Scheme)
 - CroyLease
 - CroyBond
 - PLA (Private Lease Agreement)
 - Housing Association Leasing Scheme
- Work underway to develop a long term TA strategy.
- Action plan to reduce number of families in shared. (Taskforce)

Next Steps (1)

- Develop a revised holistic Temporary Accommodation Strategy.
- Continue to revise current schemes to increase supply.
- Developing a 'Croydon offer' that is consistent across the Council.
- Review rent guarantee for private sector landlords as this appears to be a deciding factor in increasing supply.
- Ensuring future procurement takes place at or below LHA rates to enable affordability.
- Maximising opportunities through Capital Letters.
- Maximise use of DHP.

Next Steps (2)

- Review of voids to improve turnaround time.
- Develop self-help schemes for customer.
- Increasing and enforcing discharge of duty to PRS.
- Exploring out of London options such as Home Finder.
- Establish a resettlement team for residents in temporary accommodation, particularly larger households who have been in TA for a prolonged period and have limited prospects of successfully bidding for social housing.
- Reviewing end to end process to see where we can improve prevention and intervention.

Business case for Temporary Accommodation Review and new Temporary Accommodation Strategy.

Initial proposed Temporary Accommodation Strategy themes:

- Improving homelessness prevention
- Improving turnover in temporary accommodation
- Minimising the Use of Bed and Breakfast Accommodation
- Safeguarding and Market Management
- Meeting the Statutory Need in a Cost Effective Way

