



BRIEFING PAPER

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Households in temporary accommodation (England)

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Summary

Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the *Housing Act 1996* (as amended). Households might be placed in temporary accommodation pending the completion of inquiries into an application, or they might spend time waiting in temporary accommodation after an application is accepted until suitable secure accommodation becomes available.

Authorities use a range of types of temporary accommodation, the most controversial of which is bed and breakfast (B&B) accommodation. The number of homeless households placed in B&B accommodation by English local authorities reached 13,550 in September 1991. This figure fell during the early to mid-1990s to less than 5,000 by the end of 1993. The numbers started rising again after 1996, prompting the Labour Government to announce specific initiatives to tackle this issue. In particular, on 13 March 2002 the Government made a commitment to ensure that, by March 2004, no family with children would have to live in a B&B except in an emergency and for no more than six weeks.

Official statistics published in December 2011 marked the end of the long-term downward trend in the number of households in temporary accommodation; seasonally-adjusted figures had fallen in each successive quarter since peaking in 2004. The most [recent quarterly statistics](#) published in March 2017 recorded 75,740 households in temporary accommodation at the end of December 2016. This marks the twenty-second occasion on which the number of households in temporary accommodation is higher than in the same quarter in the previous year. Of these households, 54,170 (72%) were placed in temporary accommodation in London. The number of families with dependent children placed in B&B-style accommodation increased from 630 at the end of March 2010 to 2,780 at the end of December 2016.

Various initiatives have been pursued to try to limit the use of unsuitable B&B-type temporary accommodation. For example, local authorities have focused on securing private rented housing through lease agreements with private landlords. Authorities, particularly in areas of high housing demand, argue that their ability to do this has been affected by Housing Benefit reforms which mean that landlords can secure higher returns from letting their properties on the open market to non-Housing Benefit claimants, although not all homeless applicants are in receipt of Housing Benefit. One response has been for authorities to seek temporary accommodation outside their own areas. A [Supreme Court judgement](#) handed down on 2 April 2015 has had implications for authorities going down this route.

On 17 December 2015 the Communities and Local Government Select Committee launched [an inquiry into the causes of homelessness](#), as well as the approach taken by national and local government to prevent and tackle homelessness. Some respondents submitted evidence calling for more flexibility in providing temporary accommodation outside of their local areas. The Committee's [report](#) was published on 18 August 2016. The Committee called on the Government to initiate a "renewed, cross-Departmental Government strategy".

February 2016 saw the publication of [research commissioned by London Councils](#) which identified specific issues for London authorities in securing temporary accommodation:

A perfect storm of market conditions and policy changes means that providing temporary accommodation for homeless individuals and families is increasingly challenging for London boroughs.

London Councils' [submission to the Autumn Statement 2016](#) said that placing 50,000+ households in temporary accommodation was placing financial pressure on London boroughs:

...who we estimate are spending an additional £170 million per annum on TA from their general funds.

In November 2016 the BBC [reported](#) that councils in Britain had spent more than £3.5 billion on temporary accommodation for homeless households over the last five years, with London accounting for 61% of this cost.

For information on wider Government initiatives to tackle homelessness see Library Briefing Paper 01164, [Statutory Homelessness in England](#). For an overview of statistical indicators see [Homelessness: Social Indicators](#) (SN/SG/2646). There are now significant variations in approaches to homelessness in Scotland and Wales – these variations are outlined in Library Briefing Paper 07201 [Comparison of homelessness duties in England, Wales, Scotland and Northern Ireland](#).

1. Local authorities' duties and the use of temporary accommodation

The *Housing (Homeless Persons) Act 1977* placed a duty on local housing authorities to secure permanent accommodation for unintentionally homeless people in priority need. Authorities' duties towards homeless people are now contained in Part 7 of the *Housing Act 1996* (as amended).

Authorities do not have a duty to secure accommodation for all homeless people. If an applicant has become homeless unintentionally the authority must assess whether they, or a member of their household, falls into a priority need category. These categories are set out in section 189 of the 1996 Act and include:

- a. People with dependent children who are residing with, or might reasonably be expected to reside with them, for example, because the family is separated solely because of the need for accommodation;
- b. People who are homeless or threatened with homelessness as a result of any emergency such as flood, fire or any other disaster;
- c. Where any person who resides or who might reasonably be expected to reside with them, is vulnerable because of old age, mental illness, handicap or physical disability or other special reason;
- d. Pregnant women, or a person who resides or might reasonably be expected to reside with a pregnant woman;
- e. All 16 and 17-year-olds;
- f. 18 to 20 year-old-care leavers;
- g. Vulnerable care leavers;
- h. Vulnerable former members of the armed forces;
- i. Vulnerable former prisoners; and
- j. People who are vulnerable because they are fleeing violence.

When a household makes an application to a local authority for assistance with homelessness, the authority is under a duty to carry out inquiries in order to satisfy itself as to what level of duty is owed to a homeless applicant. If an authority has reason to believe that a homeless applicant has nowhere to stay and is in priority need, there is an immediate duty to make suitable temporary accommodation available pending further inquiries.

After the completion of inquiries local authorities must inform applicants of their decision. The type of help that an authority might be under a duty to offer to a homeless household under the 1996 Act ranges from a main duty to secure suitable accommodation (which may

be a private rented tenancy), to providing advice and assistance. Authorities have an absolute duty to secure accommodation only for households who are deemed to be unintentionally homeless and in priority need.

Where an absolute duty to secure accommodation exists, a household may have to spend a period of time in temporary accommodation before a final offer of accommodation is made.¹ The length of time spent in temporary accommodation will largely depend on the availability of suitable accommodation in the authority's area.

The *Localism Act 2011*² has, since 9 November 2012, enabled local authorities to discharge their duty towards homeless households in priority need by using privately rented housing, irrespective of whether the household is in agreement with this.³

Thus the people represented in the Department for Communities and Local Government's statistics on temporary accommodation usage are either awaiting the outcome of a homeless application under section 188 of the 1996 Act (an interim duty to accommodate), or are waiting for an offer of suitable accommodation. Up-to-date statistics can be found in the appendix to this briefing.

Shelter's June 2004 report, *Living in Limbo*, which was based on a survey of more than 400 homeless households living in temporary accommodation in England, found that it had a "devastating impact on the health, education and job opportunities of the homeless." The authors estimated that temporary housing was costing the taxpayer more than £500 million each year at that time:

- £300 million on higher rents and additional housing benefit costs
- £90 million on *additional* take up of out-of-work benefits (income support)
- £50 million on out-of-school provision for children
- £30 million on *additional* take up of sickness benefits (incapacity benefit)
- £10 million on *additional* visits to the GP due to health problems.

Following a series of Freedom of Information requests, the Bureau of Investigative Journalism reported that Westminster Council would spend £41.8 million housing families in temporary accommodation in 2013/14:

Cuts to housing benefit are having a reverse effect on costs for Westminster Council, which is predicting its bill for homelessness will rise 63.5% since last year when temporary accommodation cost the council £25.5m.⁴

¹ Measures in the *Localism Act 2011* have given local authorities the option of offering "flexible" tenancies to households applying for social housing. These tenancies, where implemented, are fixed term tenancies for a minimum of two years.

² *Localism Act 2011 (Commencement No.2 and Transitional Provisions) (England) Order 2012*, (S.I. 2012/2599)

³ For more information see Library Briefing Paper CBP01164, *Statutory Homelessness in England*

⁴ [Westminster hit by soaring housing costs](#), 8 June 2013 [last accessed on 6 July 2015]

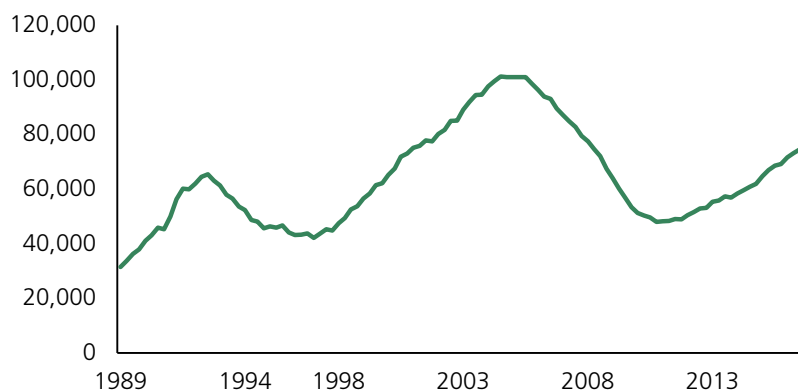
2. The numbers in temporary accommodation

Local authorities use a variety of types of accommodation as temporary housing for homeless households, including:

- private sector rented housing;
- social housing on a short-term tenancies;
- hostel/refuge accommodation (sometimes with shared cooking/washing facilities);
- bed and breakfast accommodation; and
- others, such as supported lodgings and mobile homes.

The chart below shows the total number of households in temporary accommodation at the end of each year since 1989. Use of temporary accommodation peaked in 2004 (101,300 households at the end of September). It has since declined but has been on the rise again since the start of 2011.

Households in temporary accommodation arranged by local authorities⁵
England, end of quarter Q1 1989 to Q4 2016



During the early 1990s the use of bed and breakfast (B&B) establishments as accommodation for homeless households fell from a peak of 13,550 in September 1991 to under 5,000 at the end of 1993. The mid-1990s saw authorities manage to restrict their use of B&Bs to around this level. The late 1990s and early 2000s again saw a sharp rise in the number of households in all types of temporary accommodation, including B&Bs.

The most recent figures issued by the Government show that the total number of homeless households in temporary accommodation, of all types, including B&Bs, stood at 75,740 at the end of December 2016.⁶ This is 10% higher than on the same date in 2015 and 58% higher than on the same date in 2010. The March 2017 statistical release shows the 21st quarter with an increase on the same date a year previously since 2011. There was a long-term downward trend in the

⁵ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

⁶ Ibid.

number of households in temporary accommodation before 2011, following a peak in 2014.

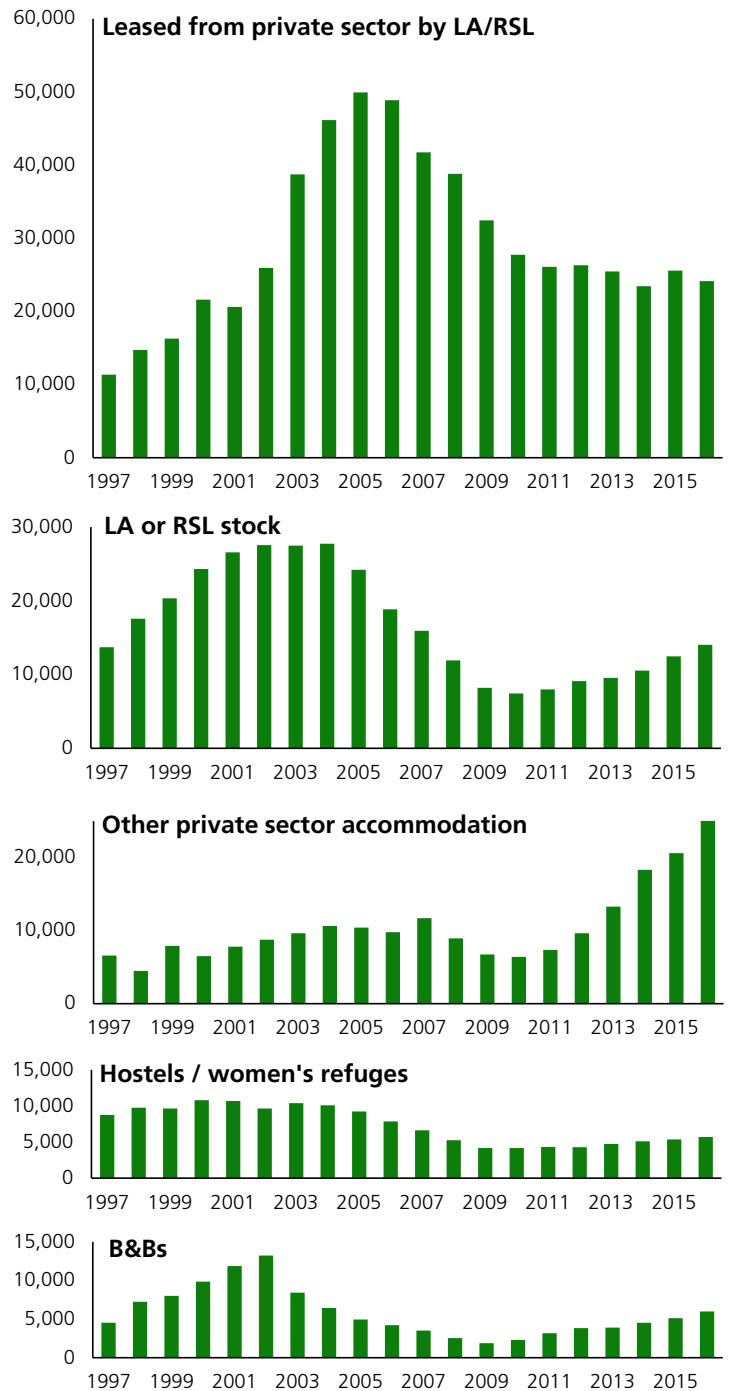
The charts on the right break down the type of accommodation used by local authorities. Housing leased from the private sector by a local authority (LA) or registered social landlord (RSL) has been the most common single type used since 2003, although it has declined over the last ten years. Use of other private sector accommodation, including private landlords, is increasing. Hostels, women’s refuges and B&Bs have typically made up a smaller proportion of accommodation, although use of both has increased in recent years following a decline in the mid-2000s.

The Labour Governments of 2001 to 2010 focused particular effort on reducing the number of homeless households, particularly those with children, placed in B&B accommodation. It is acknowledged that the use of B&B accommodation is primarily, but not solely, a London problem and that it is expensive and inadequate, and has unacceptable long-term effects on homeless people.

In March 2002 the then Secretary of State for Transport, Local Government and the Regions, Stephen Byers, described the figure of 12,290 households (at the end of September 2001) placed in B&B accommodation by local authorities as "unacceptably high."⁷ This figure represented a rise of 24% on September 2000. By the end of the fourth quarter of 2002 the number of families with children or expectant mothers in B&B stood at 5,600, representing 44% of all households in B&B.⁸

The Government laid *The Homelessness (Suitability of Accommodation) (England) Order 2003* (SI 2003/3326) which came into force on 1 April 2004. The Order provides that homeless families with children or where a member of the household is pregnant should not be placed in B&B accommodation except in an emergency, and even then only for a

Type of accommodation used by local authorities
Number of households, England, year-end 1997 to 2016



DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

⁷ HC Deb 5 March 2002 c146

⁸ ODPM Statistical Release SH-Q4, 13 March 2003

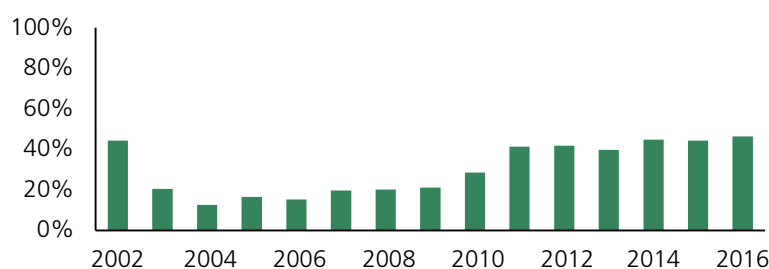
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maximum of six weeks. [Guidance](#) for local authorities on the implementation and interpretation of the Order can be found on the DCLG website.

As the chart below shows, while the number of households in B&B-style accommodation has decreased since 2002, the proportion of those households which include dependent children or pregnant women has increased in recent years.

Proportion of households in B&B-style accommodation which include children or expectant mothers⁹

England, year-end 2002 to 2016



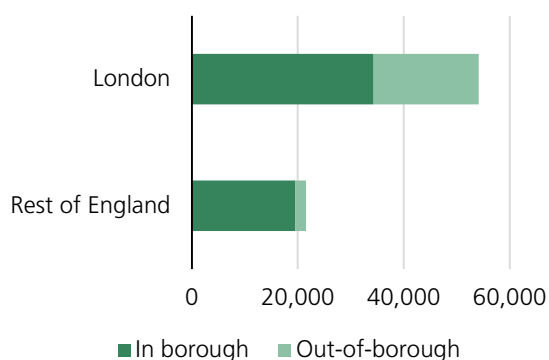
The most recent statistics show that at the end of December 2016, of the 75,740 households in temporary accommodation, 60,240 included dependent children and/or a pregnant woman. Of these 60,240 households containing children and/or a pregnant woman, 2,780 were in B&B-style accommodation - an increase of 22% on the same date in 2015. Of these 2,780 households, 1,260 had been in B&B-style accommodation for six or more weeks. This represents an increase of 38% compared with the end of December 2015 when the number was 910.

The total number of homeless households placed in B&B-style accommodation at the end of December 2016 stood at 5,990. The 2,780 households with children and/or an expectant mother made up 46% of this total.¹⁰

London saw an increase in the number of households placed in temporary accommodation of 6% compared with December 2015 (54,170 compared with 50,970) and accounts for 72% of the total England figure.¹¹

At the end of December 2016, 21,910 (29%) households in temporary accommodation were placed in another local authority's area, representing an increase of 17% on December 2015. This is primarily a London phenomenon: 37% of households accepted as homeless by a London borough were housed in a different borough, compared to 10% in the rest of England.¹²

In- and out-of-borough placements Number of households, year-end 2016



⁹ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

In September 2013 Westminster Council faced criticism from the Local Government Ombudsman (LGO) for keeping around 40 families in B&B for longer than six weeks. Westminster offered to pay the affected families £500 each.¹³ In October 2013 the LGO published [No place like home: Councils' use of unsuitable bed & breakfast accommodation for homeless families and young people](#) which set out lessons councils can learn from complaints on the use of inappropriate B&B accommodation.

August 2014 saw reports of three London authorities, Brent, Tower Hamlets and Hillingdon "breaking the B&B law."¹⁴ On the release of the 2nd quarter statistics for 2014 a number of bodies blamed the increased use of temporary accommodation on a lack of affordable housing:

Gill Payne, director of policy and external affairs at the National Housing Federation, said: 'This shocking rise in the number of families stuck in emergency housing is down to our desperate shortage of affordable homes. It's completely unacceptable that we have thousands of people living in so-called temporary housing, including B&Bs, that are expensive, often in poor condition and offer no stability from which to rebuild their lives.'¹⁵

¹³ BBC news London, [Westminster homeless put in B&Bs for too long](#), 24 September 2013

¹⁴ *Inside Housing*, "[Three London councils break B&B law](#)," 7 August 2014

¹⁵ *Inside Housing*, "[Homeless families in temporary accommodation at five year high](#)," 25 September 2014

3. Temporary accommodation: initiatives and issues

3.1 The Homelessness (Suitability of Accommodation) (England) Order 2003

On 3 December 2002 Barbara Roche, then the Minister responsible for tackling homelessness, announced the Government's intention to outlaw the use of B&B hotels for homeless families except in emergencies by strengthening the homelessness legislation. She also announced that £350,000 would be used to finance new services for homeless families placed in temporary accommodation and to help them resettle into permanent housing. Research was to be carried out to assess the impact of temporary accommodation on health and education.¹⁶

The press release accompanying the announcement said that the Government would consult in 2003 on options for strengthening the homelessness legislation. Lord Rooker, then Minister of State at the ODPM, announced the publication of a consultation paper on 13 May 2003.¹⁷ The Labour Government published a summary of responses to the consultation paper on 17 November 2003.¹⁸

The Homelessness (Suitability of Accommodation) (England) Order 2003 (SI 2003/3326) came into force on 1 April 2004. The Order provides that homeless families with children, or where a member of the household is pregnant, should not be placed in B&B accommodation except in an emergency and even then only for a maximum of six weeks. [Guidance](#) for local authorities on the implementation and interpretation of the Order can be found on the DCLG website. Failure to comply with *The Homelessness (Suitability of Accommodation) (England) Order 2003* (SI 2003/3326) puts local authorities at risk of judicial review proceedings

In May 2004 the Labour Government announced a "significant achievement" against its B&B reduction target:

Figures collected by the Office of the Deputy Prime Minister show a 99.3 per cent. reduction in the number of homeless families with children living in bed-and- breakfast hotels for longer than six weeks, and who were placed there by a local housing authority as a discharge of a homelessness duty, over the two years since March 2002 when the target was set. Local authorities reported a total of only 26 families with children in bed-and-breakfast in excess of six weeks as of 31 March compared to an estimated 3,500–4,000 homeless families with children placed long-term in bed-and-breakfast hotels in March 2002. This reduction reflects the excellent achievement of local authorities working with the

¹⁶ ODPM press release 2002/0379, 3 December 2002

¹⁷ HL Deb 13 May 2003 WA28 - The consultation document, [Improving Standards of Accommodation for Homeless Households Placed in Temporary Accommodation](#), is on the DCLG's website (now archived).

¹⁸ The [summary of responses](#) can be found on the CLG website (now archived).

Office of the Deputy Prime Minister. A total of 328, or 95 per cent., of local authorities met the bed-and-breakfast target.

In London, where the highest concentrations of homelessness exist and where the highest number of families had been accommodated in bed-and-breakfast hotels, there were no homeless families who have been in bed-and-breakfast for longer than six weeks on 31 March.

Figures collected also show that the total number of homeless families with children in bed-and-breakfast was reduced by 88 per cent. from an estimated 6,730 in March 2002 to 780 in March 2004. This is the first sustained reduction in total use of bed-and-breakfast to house homeless families for over a decade.

The Office of the Deputy Prime Minister will continue to work with local authorities, voluntary sector organisations and other stakeholders to: sustain this target and our successful reductions in rough sleeping. We will also continue to work with stakeholders on tackling and preventing wider homelessness problems more effectively.¹⁹

A total of 16 authorities failed to meet the B&B reduction target by the end of March 2004. Until 2003, reductions in B&B usage took place against a background of increased homeless acceptances and increased placements in other types of temporary accommodation.

Section 2 of this briefing paper refers to concerns raised by the National Housing Federation in [Homeless Bound?](#) (November 2012) in which the NHF referred to the need to monitor the length of time that children are spending in B&B accommodation given the 200% increase in numbers placed in this type of accommodation over 2010/12.

The official statistics demonstrate the increased difficulties local authorities are facing in moving on homeless households from B&B-style accommodation. Of the 60,240 households with children and/or a pregnant woman placed in temporary accommodation at the end of December 2016, 2,780 (5%) were in B&B-style accommodation - an increase of 22% on the same date in 2015. Of these 2,780 households, 1,260 had been in B&B-style accommodation for six or more weeks. This represents an increase of 38% compared with the end of December 2015 when the number was 910.²⁰

3.2 The use of B&B accommodation

In performing their duties to homeless people under Part 7 of the *Housing Act 1996* (as amended) local authorities are obliged to have regard to the [Homelessness Code of Guidance for Local Authorities](#). This Guidance was revised to take account of changes made by the *Homelessness Act 2002* and the extension of the priority need categories.

Where an authority is providing interim accommodation for a homeless household pending a decision on their application under section 188 of

¹⁹ HC Deb 4 May 2004 c70WS

²⁰ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

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the 1996 Act, the Guidance states that the use of B&B accommodation should be avoided where possible:

Housing authorities should avoid using Bed&Breakfast (B&B) accommodation wherever possible. Where B&B accommodation has been used in an emergency situation, applicants should be moved to more suitable accommodation as soon as possible. The *Homelessness (Suitability of Accommodation) (England) Order 2003* provides that B&B accommodation is not suitable accommodation for families with children and households that include a pregnant woman unless there is no alternative accommodation available and then only for a maximum of six weeks.²¹

Where an authority accepts a duty to secure accommodation for an unintentionally homeless household in priority need, the accommodation provided must be "suitable." The Code of Guidance provides the following advice for authorities on using B&B accommodation for discharging a re-housing duty:

Bed and Breakfast (B&B) accommodation caters for very short-term stays only and generally will afford residents only limited privacy and may lack certain important amenities, such as cooking and laundry facilities. Consequently, where possible, housing authorities should avoid using B&B hotels to discharge a duty to secure accommodation for applicants, unless, in the very limited circumstances where it is likely to be the case, it is the most appropriate option for an applicant. The Secretary of State considers B&B hotels as particularly unsuitable for accommodating applicants with family commitments and applicants aged 16 or 17 years who need support.²²

The revised [Homelessness Code of Guidance for Local Authorities](#) includes more stringent standards for housing homeless people in B&Bs. These standards are contained in Annex 17 to the Code.²³

DCLG began to collect specific data on the number of 16 and 17-year-olds placed in B&B accommodation in 2007.²⁴ In November 2006 the then Secretary of State at DCLG, Ruth Kelly, announced that by 2010 local authorities should only place 16 and 17 year-olds in B&B accommodation in an emergency. At the end of December 2016 there were 20 households headed by 16 and 17-year old applicants in B&B accommodation of which 10 had been there longer than six weeks. A year previously, there were 40 such households in B&B accommodation, of which 20 had been there longer than six weeks.²⁵

The homelessness charity CentrepoinT has supported a ban on using B&B hotels for homeless 16 and 17-year-olds for some time. Research published in June 2004 found that teenagers were spending an average of 16 weeks in B&B and that "a significant number" had been approached by other residents trying to sell drugs, or for sexual

²¹ DCLG, [Homelessness Code of Guidance for Local Authorities](#), July 2006, para 7.6

²² *Ibid.*, para 16.28

²³ *Ibid.*

²⁴ HC Deb 14 December 2006 c1276W

²⁵ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

exploitation.²⁶ Centrepont concluded that authorities were “reshuffling” priority groups in the light of the six-week time limit on housing families in B&B accommodation and that attention had been moved away from finding suitable alternatives for other vulnerable homeless groups.²⁷

Freedom of Information requests placed by Barnardo’s reportedly showed that 73% (100 of 137) of local authorities in England placed care-leavers in B&B in 2013/14.²⁸

The Select Committee on Education, in its second report of 2014-15, [Into independence, not out of care: 16 plus care options \(July 2014\)](#), recommended an “outright ban” on the use of B&B accommodation for young homeless people:

Despite the DfE’s assertion that “Bed and breakfast accommodation is not considered to be suitable”, it continues to be used. An outright ban on B&Bs is required and we recommend that the DfE consult urgently with local authorities on a reasonable timeframe in which to introduce this, alongside a strengthened requirement for local authorities to commission sufficient alternative emergency facilities.²⁹

The ODPM: Housing, Planning, Local Government and the Regions Select Committee carried out an inquiry into homelessness in 2004, the report of which was published in January 2005. The Committee recommended that the Government should set a target to end the use of B&B for *any* homeless household except as an emergency short-term response.³⁰ The Labour Government responded thus:

The Government continues to believe that bed and breakfast hotels represent the least suitable form of accommodation for most households and should be used only as a last resort. We have made this clear in statutory guidance (Homelessness Code of Guidance for Local Authorities). The Government will be issuing a revised Code of Guidance later this year and, in the light of the Select Committee’s recommendations, we will consider strengthening the guidance on this point. We consider that, particularly when accommodating 16 and 17 year olds, the local authority should focus not only on the type of accommodation that is suitable for the applicant but also on ensuring that appropriate support is available.

We have considered whether a new target should be introduced to minimise the use of bed and breakfast hotels to discharge a homelessness duty owed to single homeless applicants. We have concluded that a national target is not necessary at present. What is necessary is ensuring that we have a full understanding of the causes of homelessness among this group and the impact that living in temporary accommodation can have on them. We have therefore commissioned a nationally representative study that will include a survey of 500 homeless 16 and 17 year olds and look at

²⁶ ‘Stop putting teens in B&Bs, say charity,’ *Housing Today*, 9 July 2004

²⁷ ‘Centrepont sounds alarm over fate of teenagers as B&B priorities shift’, *Community Care*, 1-7 July 2004

²⁸ *Inside Housing*, “[Undercover research reveals plight of young care leavers in B&Bs](#)”, 8 September 2014

²⁹ HC 259, Second Report of Session 2014-15, *Into independence, not out of care: 16 plus care options*, 9 July 2014

³⁰ Third Report of Session 2004-05, *Homelessness*, HC 61-I, para 25

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the impact of different forms of temporary accommodation and support. This will offer us a more robust evidence base upon which to base future policy.

Moreover, since 2002 the overall use of bed and breakfast hotels by local authorities has fallen, including for non-family households, as a result of the measures authorities have put in place to meet the B&B target. Improvements in homelessness prevention and the quality and supply of settled homes will benefit all households at risk of homelessness.

Local authorities are free to set their own additional targets or restrictions in relation to the use of B&B hotels and may use homelessness grants from ODPM to support reductions in the inappropriate use of temporary accommodation. Advice on this can be found in 'Achieving Positive Outcomes on Homelessness' (ODPM 2003).³¹

Authorities have used a variety of methods to reduce the numbers in B&B including:

- Controlling repeat homelessness by putting additional staff time into supporting people in their tenancies;
- Appointing a family mediator to work with single people experiencing difficulties at home to promote reconciliation and prevent eviction;
- Developing "tenancy sustainment" officers to work with families in the private rented sector to ensure Housing Benefit is paid on time;
- Fostering a culture change in private sector procurement;
- Organising inter-borough landlords' days to provide information and advice, improve standards and generate new lettings;
- Establishing landlord and tenant matching services;
- Converting underused garage sites into affordable housing;
- Developing front-line prevention services; and
- Operating a "spend to save" policy using the B&B budget on prevention of homelessness.³²

3.3 The Gold Standard initiative

The then Housing Minister, Mark Prisk, speaking to *Inside Housing* in September 2012, reportedly pledged to ensure that councils' use of B&B accommodation for homeless families does not turn into an "insurmountable problem."³³ The Minister met with representatives of 18 London authorities in December 2012 during which he reminded authorities of their duty not to place families in B&Bs except in an emergency and for no longer than six weeks. He said that "breaking the law is avoidable and unacceptable."³⁴

Failure to comply with *The Homelessness (Suitability of Accommodation) (England) Order 2003* (SI 2003/3326) puts local authorities at risk of judicial review proceedings. The Local Government Ombudsman has

³¹ ODPM, January 2005, Cm 6424

³² 'Winning the B&B battle,' *London Housing*, December 2003

³³ *Inside Housing*, "Prisk pledges to curtail use of B&Bs for homeless," 20 September 2012

³⁴ CLG, Homelessness Roundtable, 4 December 2012

also upheld complaints where authorities have kept families in B&B-style accommodation for long periods.³⁵

On publication of the June 2013 statistics the Minister called on all councils to reduce the number of families in B&B-style accommodation.³⁶ The Government launched a £1.7 million “Gold Standard” approach to homelessness in June 2013:

Under this system councils will test new solutions and learn from neighbouring areas who have managed to turn the situation around. By sharing and spreading best practice, all councils can ensure that vulnerable families across the country can find a stable, suitable home as soon as possible.

Councils joining the Gold Standard must commit to preventing homelessness. This involves tackling 10 local challenges, which include a requirement to abide by the law when housing families in bed and breakfast accommodation.³⁷

A DCLG press notice of 10 June 2014 reported that 97% of councils had engaged with the scheme:

£582,128 will extend the [Homelessness Gold Standard](#) scheme into 2014 to 2015. The council-led support scheme helps councils improve their frontline housing services for families and single homeless people. It is run by the National Practitioner Support Service, a team of council staff seconded to Winchester Council. They provide training and other support to councils - 97% of councils have already engaged with the scheme.³⁸

Marcus Jones, who has been appointed by the current Government to head up the homelessness brief at the DCLG, provided information on the future of the scheme in response to a parliamentary question tabled by Charles Walker in July 2015:

The Homelessness Gold Standard programme is a voluntary, sector-led initiative delivered by the National Practitioner Support Service and hosted by Winchester City Council to support local authorities to improve the effectiveness of homelessness prevention services. We provided £2.2 million between 2013/14 and 2014/15 to kick start the programme and help to get the scheme off the ground. Nearly all councils in England have signed up to working toward the Gold Standard, thus enabling them to access the support and good practice the programme offers. There are no current plans for future spending.³⁹

Inside Housing reported (August 2014) that despite signing up for the scheme authorities were struggling to undertake the steps necessary to attain the Gold Standard due to pressure on staffing and resources.⁴⁰

3.4 Using private rented tenancies

The [Homelessness Code of Guidance for Local Authorities](#) explains how housing authorities can use the private rented sector to prevent

³⁵ *Inside Housing*, “[Council fined for housing family in B&B for weeks](#)”, 11 June 2013

³⁶ DCLG, [Press Release](#), 7 June 2013

³⁷ *Ibid.*,

³⁸ DCLG [Press Release](#), 10 June 2014

³⁹ PQ 7389 [Homelessness], 21 July 2015

⁴⁰ *Inside Housing*, “[Staffing and resource pressures hinder £1.7m homelessness programme](#)”, 29 August 2014

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homelessness or secure accommodation for applicants once they are homeless:

Housing authorities may seek the assistance of private sector landlords in providing suitable accommodation direct to applicants. A general consent under s.25 of the *Local Government Act 1988* (*The General Consent under Section 25 of the Local Government Act 1988 for Financial Assistance to Registered Social Landlords or to Private Landlords to Relieve or Prevent Homelessness 2005*) allows housing authorities to provide financial assistance to private landlords in order to secure accommodation for people who are homeless or at risk of homelessness. This could involve, for example, the authority paying the costs of leases; making small one-off grants (“finders’ fees”) to landlords to encourage them to let dwellings to households owed a homelessness duty; paying rent deposits or indemnities to ensure accommodation is secured for such households; and making one-off grant payments which would prevent an eviction. There is no limit set on the amount of financial assistance that can be provided, however authorities are obliged to act reasonably and in accordance with their fiduciary duty to local tax and rent payers. Housing authorities may also make Discretionary Housing Payments (DHP) to a private landlord to meet a shortfall between the rent and the amount of housing benefit payable to a person who is homeless or at risk of homelessness. DHPs are intended to provide extra financial assistance where there is a shortfall in a person’s eligible rent and the housing authority consider that the claimant is in need of further financial assistance. They are governed by the *Discretionary Housing Payment (Grant) Order 2001*. Housing authorities should also consider working with private landlords to arrange qualifying offers of assured shorthold tenancies which would bring the main homelessness duty to an end if accepted by the applicant.⁴¹

The *Localism Act 2011* has enabled authorities, with effect from 9 November 2012, to discharge their duties towards households accepted as unintentionally homeless and in priority need by offering a private rented tenancy with a minimum term of 12 months, irrespective of objections that the household may have to being housed in the private rented sector.

Following a consultation exercise the [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#) was brought into force on 9 November 2012. [Statutory guidance on the Order](#) has been published to which local authorities must have regard when discharging (ending) their duties to homeless households by using private rented accommodation. The guidance describes situations in which private rented housing should be regarded as unsuitable; the location requirements of the Order also extend to any accommodation secured under Part 7 of the 1996 Act, including temporary accommodation.

The Coalition Government’s emergency Budget of June 2010 included a series of announcements in respect of Housing Benefit/Local Housing Allowance rates which came into effect on 1 April 2011. Authorities expressed concerns about the impact that these changes would have on

⁴¹ DCLG, [Homelessness Code of Guidance for Local Authorities](#), July 2006, para 16.20

their ability to secure private rented accommodation for homeless households. The increased number of households placed in B&B-style accommodation in London is felt by some to reflect the impact of LHA restrictions on authorities' ability to access private housing for use as temporary accommodation.⁴² The decision to freeze LHA rates for four years between 2016-17 and 2019-20 (with some exceptions for areas with the highest private sector rents) is thought to be exacerbating the difficulties that authorities, particularly in London, are facing in accessing suitable private sector accommodation.⁴³

DCLG funded a review into whether there is appetite amongst investors to finance housing let at Local Housing Allowance (LHA) rates in 2013. A potential model would involve a council setting up a company to buy private houses using institutional finance. The properties would be let to homeless households at the LHA rate with the investor receiving a return through the rental income. A series of pilot projects were reportedly commissioned.⁴⁴ A number of local authorities are now setting up their own housing companies, some of which have the primary purpose of acquiring/developing private rented housing. For example, Enfield council in London has established [Housing Gateway Ltd](#) to:

- Increase the supply of cost effective Private Rented Sector accommodation that can be accessed by Enfield Council to reduce budget pressures

- Secure local properties for local people

- Set exemplary landlord standards with well managed and maintained accommodation.⁴⁵

Enfield's [2016-17 Business Plan](#) states that the primary objective of the company is to purchase and manage private rented properties in the borough for local families in need and to help the council discharge its statutory responsibilities to homeless households.⁴⁶

3.5 Private sector leasing (PSL)

The main alternative option to B&B accommodation is privately-owned housing which is leased to housing associations or local authorities for use as temporary accommodation. The private landlord in this arrangement receives a regular income while the social landlord is responsible for managing the property and collecting rent/Housing Benefit payments from the residents. In the case of accommodation leased to housing associations, local authorities are able to nominate homeless households for temporary placement in these properties. The [Homelessness Code of Guidance for Local Authorities](#) encourages authorities to enter into leasing arrangements:

⁴² [Westminster hit by soaring housing costs](#), 8 June 2013

⁴³ [Summer Budget 2015](#), July 2015, para 1.137

⁴⁴ *Inside Housing*, "Institutional answers for homeless funding," 4 July 2014

⁴⁵ [Housing Gateway Ltd](#)

⁴⁶ [Chair's Report 2015-16](#)

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Accommodation leased from a private landlord can provide housing authorities with a:

...source of good quality, self-contained accommodation which can be let to applicants. Where there is a need for temporary accommodation, housing authorities are encouraged to maximise their use of this type of leasing, in so far as they can secure cost-effective arrangements with landlords.⁴⁷

Measures introduced by the *Local Government Act 2003* made it easier for authorities to enter into leasing arrangements:

Under the prudential capital finance system (introduced by the *Local Government Act 2003* on 1 April 2004) local authorities are free to borrow without Government consent, provided that they can service the debts without extra Government support. The authority must determine how much it can afford to borrow. The new system ended the former financial disincentives to use leasing (and other forms of credit). Consequently, there is no longer any need for special concessions relating to leases of property owned by private landlords where that property is used to accommodate households owed a duty under Part 7. When entering into leases, as when borrowing, the capital finance rules simply require authorities to be satisfied that the associated liabilities are affordable.⁴⁸

In London, where the use of temporary accommodation is most concentrated, provision has gradually shifted away from longer-term leased accommodation towards the use of accommodation let on a nightly rate, with associated cost increases. This is discussed in the section below entitled nightly rate accommodation.

3.6 Funding temporary accommodation

Self-contained units meet households' need for space and privacy but rent levels for this type of accommodation are generally high as they usually incorporate a market rent plus an allowance for voids, bad debts and management charges. In the early 2000s difficulties with the administration of Housing Benefit were identified as one of the main barriers to the further development of privately leased accommodation by housing associations.⁴⁹

On 13 March 2002 the Labour Government announced the provision of extra funding for local authorities in the form of Housing Benefit subsidy to encourage the use of privately leased accommodation as opposed to B&Bs.⁵⁰ In subsequent years Governments sought to bear down on the cost of temporary accommodation by reducing subsidy levels.

Separating out the management fee from April 2017

As part of the Autumn Statement 2015 the Chancellor announced changes to the future funding of temporary accommodation:

The temporary accommodation management fee is payable with Housing Benefit in respect of households placed in temporary

⁴⁷ *ibid* para 16.15

⁴⁸ CLG, [Homelessness Code of Guidance for Local Authorities](#), July 2006 para 16.16

⁴⁹ Shelter, *Bed and Breakfast – the way forward*, 19 November 2001

⁵⁰ HC Deb 13 March 2002 c1123W

accommodation. This measure removes this additional payment from April 2017.

Local authorities will be given more than equivalent funding directly, to enable them to manage temporary accommodation and homelessness pressures as they see fit.⁵¹

On 17 December 2015 the Government reiterated the intention to decouple the management fee funding and announced that an additional £10m a year would be allocated between 2017 and 2018 to areas under the most pressure from homelessness, “to give them more flexibility and choice in how they respond.”⁵²

[HB Circular S9/2016](#) provided information on £1.5 million in New Burdens funding allocated to 109 authorities in 2016/17 to “mitigate the absence of a management fee under Universal Credit.” The Circular advised that New Burdens funding could be used flexibly by authorities to help them cope with temporary accommodation funding pressures until the DCLG fund comes into play in April 2017.

The Government published [Flexible homelessness support grant - funding allocations](#) on 15 March 2017, this set out each authorities’ allocation of funding from April 2017. The funding covers two years and is made up of £186 million in 2017/18 and £191 million in 2018/19. A further £25 million has been set aside for London boroughs “to work together to provide accommodation for homeless families in the capital.”⁵³ Authorities will be able to use the funding to support a full range of homelessness services. A note on the calculation advises:

The funding has been allocated according to a formula which reflects relative homeless pressures, while at the same time aiming to protect local authorities which currently have high levels of Temporary Accommodation.⁵⁴

Local authorities had sought a review of the level of LHA subsidy in relation to temporary accommodation:

A higher priority is to address the restricted level of LHA subsidy, which affects all households in TA. The statement made on TA in the Comprehensive Spending Review signals the possibility of change in the administration of the subsidy, but does not mention an increase in the overall level of LHA payable on TA tenancies.⁵⁵

Shortfall between cost and support for temporary accommodation in London

London Councils commissioned research from the Centre for Housing Policy at the University of York which was published in February 2016: [Temporary Accommodation in London: Authorities Under Pressure](#). The

⁵¹ [Autumn Statement and Spending Review 2015: Policy Costings](#), November 2015, p15

⁵² DCLG, [Radical package of measures announced to tackle homelessness](#), 17 December 2015

⁵³ [DCLG Press Release](#), 15 March 2017

⁵⁴ DCLG, [Flexible homelessness support grant – funding allocations formula](#), March 2017

⁵⁵ Julie Rugg, [Temporary Accommodation in London: Authorities Under Pressure](#), February 2016, p50

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research found evidence of a “substantial under-estimation of the cost of temporary accommodation to London boroughs:”

This cost is largely hidden, as TA expenditure is spread across a number of budget headings. Irrespective of the degree of that expenditure being met by London councils, the research provokes questions on the value for money represented by TA costs in London which were in excess of £663m in 2014/15.⁵⁶

The report contains a number of recommendations concerning the funding of temporary accommodation, for example:

Central Government needs to acknowledge the substantial shortfall that now exists between support for TA available through the housing benefit system and the actual cost of service delivery. A reduction in the level of LHA has not led to a reduction in rental costs in this part of the market. More sophisticated interventions are required at central Government level in order to reduce cost pressures on London boroughs.⁵⁷

In November 2016 the BBC reported that councils in Britain had spent more than £3.5 billion on temporary accommodation for homeless households over the last five years, with London accounting for 61% of this cost.⁵⁸

As noted in the previous section, the Government has set aside funding from the Flexible Homelessness Support Grant to assist in developing improved temporary accommodation procurement:

In recognition of the particular pressures which London councils face, we are also setting aside £25 million of the funding across the 2 years while we work with the Greater London Authority and London boroughs to look at how we might help councils collaborate in the procurement of accommodation for homeless families in London.⁵⁹

The Work and Pensions Select Committee relaunched its inquiry into Universal Credit (UC) with a deadline for submissions of 20 March 2017. London Councils’ written evidence highlights significant issues with rent collection rates in respect of emergency temporary accommodation for claimants:

Particularly in full service areas, Universal Credit has led to dramatic reductions in rent collection. While this is most severe for emergency accommodation cases, rent collection rates among general needs tenants have also fallen under Universal Credit. This is due to policies such as the seven day waiting period and the six-week wait before first payment, which results in many tenants immediately falling into rent arrears due to their lack of financial security.⁶⁰

The Government is reportedly considering an exemption in UC for homeless people living in temporary accommodation.⁶¹

⁵⁶ Julie Rugg, [Temporary Accommodation in London: Authorities Under Pressure](#), February 2016

⁵⁷ *Ibid.*, p13

⁵⁸ BBC, [Councils spent £3.5bn on temporary housing in the last five years](#), 17 November 2016

⁵⁹ [DCLG Press Release](#), 15 March 2017

⁶⁰ London Councils, [Written evidence for the inquiry into Universal Credit](#), 2017

⁶¹ *Inside Housing*, “Councils welcome Universal Credit U-turn”, 28 March 2017

Nightly rate accommodation (London)

[Temporary Accommodation in London: Authorities Under Pressure](#)

explains the growth in the use of nightly rate accommodation in London:

The nature of procurement of property to meet TA need underwent substantive change in 2013. In August of that year, the Government introduced new funding to support a reduction in the number of households in B&Bs. Local authority demand for emergency TA escalated, and in response the TA market increased the supply of 'nightly rates' accommodation. This accommodation was made available on a nightly-use basis, rather than leased by boroughs over longer time periods. A nightly rates arrangement was more lucrative to the supplier and, since that time, there has been substantial growth in this component of the TA market.

Development of the nightly rates market enhanced competition for property and the incidence of widely divergent rents for similar properties. Attempts to contain costs in the nightly rates market led London boroughs to establish an agreement around the nightly rates payable. This measure has reported some degree of success in slowing the upward trajectory of costs. However, not contravening the agreement remains challenging for local authorities and, anecdotally, there has been an increase in the short-term emergency use of B&Bs as a consequence of an inability to find accommodation at the agreed nightly rate.⁶²

The March 2017 statistics show that 19,080 households were placed in nightly paid self-contained annexes at the end of December 2016. This represents 26% of all households in temporary accommodation, up from 23% in 2015.⁶³

The Benefit Cap

As the *Welfare Reform Act 2012* progressed through Parliament specific concerns were raised in relation to the impact of the household benefit cap on people placed in temporary (leased) accommodation. The benefit cap was piloted in four London local authorities and was rolled out across the country over the summer of 2013.

The cap meant that families could not receive more than £500 per week in benefits (£350 for single people).⁶⁴ The cap was reduced with effect from 7 November 2016 – the maximum a family can receive outside London is now £384.62 per week (£442.31 in London) and £257.69 for a single person (£296.35 in London). Because the rents in privately leased accommodation can be very high, there is a view that the cap could leave households in temporary accommodation with very little to cover their living expenses once the rent is paid. Lord Best moved an amendment to exclude families placed in temporary accommodation from the benefit cap as the 2012 Act progressed through Parliament:

⁶² Ibid., p19

⁶³ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

⁶⁴ There are some exemptions to the application of the cap, for example people in receipt of Disability Living Allowance – for more information see Library note SN/SP/6294. The cap was introduced in four London Boroughs in April 2013 and was phased in for all other authorities between 15 July and September 2013.

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Amendment 61 also seeks to take the edge off one of the most extreme aspects of the total benefit cap. This amendment would exclude from the cap families placed by their local authority in temporary accommodation—normally a private rented flat when the council has struck a deal with the landlord. Rents for temporary accommodation, even though many local authorities send the homeless family some distance to the cheapest neighbourhoods they can find, are high and the housing benefit has to encompass an extra charge to cover the administration of the arrangements. A total bill for a family of three children could be £440 a week in London, even though a central London borough has despatched the family to the lowest-priced accommodation it can locate. If £440 goes on rent, a total benefit cap of £500 obviously leaves practically nothing for all the family's other costs, as the noble Lord, Lord Greaves, noted earlier. There is no prospect of them surviving on the remaining income within the cap, but the family concerned cannot do anything to rectify the situation. They have not chosen the accommodation but have been sent there by the council because nowhere else can be found for them. Yet, if they stay there, and pay the rent, they face destitution.⁶⁵

Lord Freud responded for the Government:

I have already said in my response to Amendment 58D that it is too early to say how we are going to treat people in temporary accommodation for housing costs purposes in 2013 and beyond. Following our informal consultation with key stakeholders last year, we are considering the policy design for temporary accommodation and will share more details about our plans before too long.⁶⁶

The Government subsequently confirmed that the cap would apply to households in temporary accommodation:

What impact will the benefit cap have on those in temporary accommodation?

The benefit cap will apply to people in temporary accommodation whether claiming through HB subsidy or Universal Credit. However, any discretionary housing payments (DHPs) they might receive will not be taken into account, meaning they will be on top of their benefit entitlement under the cap.⁶⁷

Lord Freud expanded on this during consideration of the *Benefit Cap (Housing Benefit) Regulations 2012*:

On temporary accommodation, a point raised by the noble Lord, Lord McKenzie, that is again an area where we will use DHP. I know that the noble Lord, Lord Best, did some sums, but clearly this will be a huge incentive to move people very quickly to something much more permanent rather than staying for the full year in temporary accommodation, which, as he rightly said, is very expensive. Under universal credit, there are likely to be changes. We are looking at how we deal with temporary accommodation—especially the division between the management costs to which he referred and the actual housing payment

⁶⁵ HL Deb 23 January 2012 c884

⁶⁶ HL Deb 23 January 2012 c893

⁶⁷ See DWP Circular HB/CTB G6/12 – Annex A, June 2012

element. We are out to consultation on that area and there will be more developments.⁶⁸

Statistics released in March 2012 recorded a decrease in the use of self-contained accommodation by local authorities:

At the end of December 2011, 85 per cent of households in temporary accommodation were in self-contained accommodation - a decrease from 87 per cent on the same date last year. The decrease in the use of self-contained accommodation is largely due to a decline in the use of accommodation leased from the private sector by local authorities and housing associations, which decreased by 6 per cent from 27,730 to 26,080 households.⁶⁹

This decrease continued according to statistics released in September 2012:

At the end of June 2012, 83 per cent of households in temporary accommodation were in self-contained accommodation - a decrease from 85 per cent on the same date last year.⁷⁰

However, the March 2014 statistical release recorded 85% of households in temporary accommodation as placed in self-contained accommodation⁷¹ while the most recent release records 85% of households as in self-contained temporary accommodation at the end of December 2016.⁷²

London Councils published [Tracking Welfare Reform: Meeting the financial challenge](#) (September 2013) in which it assessed the potential impact of the household benefit cap on families placed in leased accommodation in London:

In some cases in London, housing benefit entitlement is reduced to 50p per week meaning that there is effectively no tenure or part of the country that would provide affordable accommodation and consequently no reasonable housing offer that can be made to them by the local authority. The entire shortfall of a household in temporary accommodation is effectively transferred from central government (through housing benefit), to the affected household and then, where the household cannot pay the rent, to the local authority through the subsidy of temporary accommodation.

If it is assumed that the 4,600 capped London households in temporary accommodation lose the average amount identified in government's impact assessment (£105 per week), London local authorities would be faced with an additional, non-recoupable financial burden of more than £25,000,000 per year; equal to around half of the savings to central government the benefit cap is expected to produce in London.⁷³

⁶⁸ HL Deb 6 November 2012 GC101

⁶⁹ CLG Statistical Release, Statutory Homelessness: England 4th Quarter 2011, 8 March 2012

⁷⁰ CLG Statistical Release, Statutory Homelessness: England 2nd Quarter 2012, 6 September 2012

⁷¹ DCLG Statistical Release, Statutory Homelessness: England 4th Quarter 2013, 6 March 2014

⁷² DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

⁷³ London Councils, [Tracking Welfare Reform: Meeting the financial challenge](#), September 2013, p6

The Work and Pensions Select Committee called on the Government to exempt households in temporary accommodation from the benefit cap:

Local authorities often have no option but to use more expensive temporary accommodation to house homeless households. These households often then fall within the scope of the Benefit Cap. We recommend that the Government exempt households in temporary accommodation from the Benefit Cap because these claimants have no choice about where they are housed and few options for reducing their housing costs. Moreover, local authorities often then have to fund the difference between the capped benefit paid and the rent due, and so there is likely to be no overall saving in public funds from the inclusion of these claimants in temporary accommodation within the scope of the Cap.⁷⁴

Amendments to dis-apply the cap to households placed in temporary accommodation were also moved during the passage of the *Welfare Reform Act 2016* through Parliament without success.⁷⁵

3.7 Use of out of borough temporary accommodation

Several media reports in April/May 2012 referred to certain councils in London seeking accommodation outside of the capital for use as temporary and permanent housing for households to whom they owed a statutory housing duty.⁷⁶ These councils argued that a combination of the Olympics, Housing Benefit restrictions and high demand for privately rented housing had made it very difficult to find suitable temporary accommodation in London. Part two of the Government's consultation paper, [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#), said:

It has come to light that some local authorities are seeking accommodation for households owed the main homelessness duty far outside their own district. Government is willing to explore whether protections around location of accommodation need to be strengthened and how this might be done. We expect that any measures adopted following this consultation process would apply to any accommodation offered by authorities in discharge of their duties under Part VII of the Housing Act 1996, including temporary accommodation, private rented sector offers and social housing.⁷⁷

The [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#) was brought into force on 9 November 2012. There is [Statutory guidance on the Order](#) to which local authorities must have regard when discharging (ending) their duties to homeless households by using private rented accommodation. The guidance describes situations in which private rented housing should be regarded as unsuitable; the location requirements of the Order also extend to any accommodation

⁷⁴ HC 720, Fourth Report of Session 2013-14, [Support for housing Costs in a reformed welfare system](#), April 2014, para 110

⁷⁵ HL Deb 21 December 2015 cc2354-61

⁷⁶ See for example *Guardian*, "[London looks to export council tenants](#)", 27 April 2012

⁷⁷ DCLG, [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#), May 2012, paras 38-39

secured under Part 7 of the 1996 Act, including temporary accommodation.

Of the 75,740 households in temporary accommodation on 31 December 2016, 21,910 (29%) were in accommodation in another local authority's district. This is an increase of 17% from 18,670 at the same date in 2015.⁷⁸

The then Minister met with 18 London authorities reporting high homelessness numbers, including households in temporary accommodation, on 4 December 2012. Representatives of the local authorities highlighted the following challenges:

- difficulties in procuring private rented housing at affordable rates;
- private landlords are less inclined to lease properties to councils or let to tenants in receipt of LHA as they have access to alternative tenants willing to pay higher rents.⁷⁹

Inside Housing reported on evidence given to the London Assembly's housing committee by Councillors from Croydon and Hackney in February 2014 claiming that the London boroughs were gazumping each other in order to secure private sector temporary accommodation.⁸⁰ In [Homelessness Monitor: England 2016](#)⁸¹ (January 2016) the authors referred to an increase in out of district placements "linked closely with the broader 'displacement' effects of welfare reform."

As noted in section 3.6, London and some West Midland authorities have acted to form an agreement on a maximum price they will pay private landlords for nightly-let temporary accommodation. The hope is that by acting jointly they will restore some pricing equilibrium across the capital.⁸²

In a judgement handed down on 2 April 2015, the Supreme Court considered the circumstances in which it would be lawful to place a homeless family in temporary accommodation outside of the authority's area and a long way from where they were previously living.⁸³ The Court concluded that there is a statutory duty to accommodate in borough, where reasonably practicable, failing which authorities are under a duty to try to place the household as close as possible to where they were previously living. The Court considered the needs of children in determining the suitability of out-of-borough accommodation:

The question of whether the accommodation offered is "suitable" for the applicant and each member of her household clearly requires the local authority to have regard to the need to safeguard and promote the welfare of any children in her

⁷⁸ DCLG Statistical Release, 23 March 2017, [Statutory homelessness and homelessness prevention and relief: October to December 2016](#); DCLG [Live Table 775](#)

⁷⁹ DCLG, Homelessness Roundtable, 4 December 2012

⁸⁰ *Inside Housing*, "Boroughs gazumping each other for temporary accommodation," 14 February 2014

⁸¹ This report is the fifth of a five-year project (2011-2016) which is tracking the impact on homelessness of economic and social policy developments. The research is being conducted by Heriot-Watt University and the University of York on behalf of Crisis.

⁸² *Inside Housing*, "Councils unite to tackle soaring nightly let rates," 13 June 2014

⁸³ [Nzolamesco v Westminster City Council](#) [2015] UKSC 22

household. Its suitability to meet their needs is a key component in its suitability generally. In my view, it is not enough for the decision-maker simply to ask whether any of the children are approaching GCSE or other externally assessed examinations. Disruption to their education and other support networks may be actively harmful to their social and educational development, but the authority also have to have regard to the need to promote, as well as to safeguard, their welfare. The decision maker should identify the principal needs of the children, both individually and collectively, and have regard to the need to safeguard and promote them when making the decision.⁸⁴

The Supreme Court went on to set out how local authorities should address the burden of accounting for their actions in each case:

Ideally, each local authority should have, and keep up to date, a policy for procuring sufficient units of temporary accommodation to meet the anticipated demand during the coming year. That policy should, of course, reflect the authority's statutory obligations under both the 1996 Act and the Children Act 2004. It should be approved by the democratically accountable members of the council and, ideally, it should be made publicly available. Secondly, each local authority should have, and keep up to date, a policy for allocating those units to individual homeless households. Where there was an anticipated shortfall of "in borough" units, that policy would explain the factors which would be taken into account in offering households those units, the factors which would be taken into account in offering units close to home, and if there was a shortage of such units, the factors which would make it suitable to accommodate a household further away. That policy too should be made publicly available.⁸⁵

Written evidence submitted by some London authorities to the Communities and Local Government Committee's inquiry into homelessness called for greater flexibility to house homeless families in cheaper areas without the threat of legal challenge. For example, [Westminster City Council - written evidence](#) said:

Suitability of accommodation - we aim to place homeless households in private rented accommodation which they can afford. However the law requires local authorities to offer housing 'in borough' where it is 'reasonably practicable'. While every effort is made to do this, we simply cannot procure enough affordable TA or PRS accommodation in-borough (or even very close to the borough). The expectation that homeless families should be placed 'in borough', or very close to the borough, also applies to those who do not have longstanding connections to Westminster. Many of our out of borough placements are challenged. While we acknowledge that some households need to be able to remain in Westminster – we suggest that the law or code of guidance should be changed so that affordability is a key issue when making placements and offers, so that people can live in good quality private rented homes which they can afford in areas where they can set down roots. Currently a number of households can only remain in Westminster as they receive Discretionary Housing Payment which is not a long term solution. The offer of private rented housing in an area which is affordable

⁸⁴ [Nzolamesco v Westminster City Council](#) [2015] UKSC 22 (para 27)

⁸⁵ [Nzolamesco v Westminster City Council](#) [2015] UKSC 22 (para 39)

in the long term is often preferable to a wait of many years for a social home.⁸⁶

3.8 A £5 million fund

As part of a package of measures announced on 17 December 2015, the Government said that £5 million in funding would be made available to 25 local authorities facing the greatest pressures in moving people out of temporary accommodation and into a settled home.⁸⁷ The authorities able to bid for up to £200,000 in funding included:

Barking and Dagenham, Barnet, Birmingham, Brent, Bromley, Brighton and Hove, Croydon, Ealing, Enfield, Hackney, Hammersmith and Fulham Haringey, Hounslow, Islington, Kensington and Chelsea, Lambeth, Lewisham, Luton, Newham, Redbridge, Southwark, Tower Hamlets, Waltham Forest, Wandsworth and Westminster.⁸⁸

⁸⁶ [Westminster City Council - written evidence](#), February 2016

⁸⁷ DCLG, [Radical package of measures announced to tackle homelessness](#), 17 December 2015

⁸⁸ *Ibid.*

Appendix

Households in England accommodation arranged by local authorities under the homelessness provisions of the 1985 and 1996 Housing Acts by type of accommodation¹

		Total number of households accommodated at end of quarter	Bed and breakfast hotels			Hostels/Women's refuges			Private sector accommodation (eg on lease or licence, or direct with L'lord)			Other types including local authorities' and RSL's own stock		
			Number	Percentage		Number	Percentage		Number	Percentage		Number	Percentage	
				of total	change on previous quarter		of total	change on previous quarter		of total	change on previous quarter		of total	change on previous quarter
1985 Housing Act														
At end of quarter:														
1989	quarter 1	31,510	11,460	36.4%	12.9%	6,940	22.0%	11.2%	..	..	..	13,110	41.6%	1.7%
	quarter 2	33,740	11,710	34.7%	2.2%	7,230	21.4%	4.2%	..	..	..	14,800	43.9%	12.9%
	quarter 3	36,260	11,880	32.8%	1.5%	7,840	21.6%	8.4%	..	..	..	16,540	45.6%	11.8%
	quarter 4	37,900	11,480	30.3%	-3.4%	8,020	21.2%	2.3%	..	..	..	18,400	48.5%	11.2%
1990	quarter 1	41,150	12,150	29.5%	5.8%	8,030	19.5%	0.1%	..	..	..	20,970	51.0%	14.0%
	quarter 2	43,040	12,170	28.3%	0.2%	8,450	19.6%	5.2%	..	..	..	22,420	52.1%	6.9%
	quarter 3	45,870	12,140	26.5%	-0.2%	8,990	19.6%	6.4%	..	..	..	24,740	53.9%	10.3%
	quarter 4	45,270	11,130	24.6%	-8.3%	9,010	19.9%	0.2%	..	..	..	25,130	55.5%	1.6%
1991	quarter 1	50,000	12,240	24.5%	10.0%	10,230	20.5%	13.5%	..	..	..	27,530	55.1%	9.6%
	quarter 2	56,290	13,300	23.6%	8.7%	10,200	18.1%	-0.3%	20,380	36.2%	..	12,410	22.0%	..
	quarter 3	60,170	13,550	22.5%	1.9%	10,620	17.6%	4.1%	22,290	37.0%	9.4%	13,710	22.8%	10.5%
	quarter 4	59,930	12,150	20.3%	-10.3%	9,990	16.7%	-5.9%	23,740	39.6%	6.5%	14,050	23.4%	2.5%
1992	quarter 1	62,090	12,220	19.7%	0.6%	10,310	16.6%	3.2%	25,190	40.6%	6.1%	14,370	23.1%	2.3%
	quarter 2	64,550	10,510	16.3%	-14.0%	10,960	17.0%	6.3%	27,840	43.1%	10.5%	15,240	23.6%	6.1%
	quarter 3	65,500	9,660	14.7%	-8.1%	11,180	17.1%	2.0%	28,760	43.9%	3.3%	15,900	24.3%	4.3%
	quarter 4	63,070	7,630	12.1%	-21.0%	10,840	17.2%	-3.0%	27,910	44.3%	-3.0%	16,690	26.5%	5.0%
1993	quarter 1	61,380	7,570	12.3%	-0.8%	10,890	17.7%	0.5%	26,720	43.5%	-4.3%	16,200	26.4%	-2.9%
	quarter 2	57,920	6,520	11.3%	-13.9%	10,520	18.2%	-3.4%	24,980	43.1%	-6.5%	15,900	27.5%	-1.9%
	quarter 3	56,500	6,130	10.8%	-6.0%	10,790	19.1%	2.6%	23,960	42.4%	-4.1%	15,620	27.6%	-1.8%
	quarter 4	53,580	4,900	9.1%	-20.1%	10,210	19.1%	-5.4%	23,270	43.4%	-2.9%	15,200	28.4%	-2.7%
1994	quarter 1	52,340	4,920	9.4%	0.4%	10,460	20.0%	2.4%	20,860	39.9%	-10.4%	16,100	30.8%	5.9%
	quarter 2	48,660	4,770	9.8%	-3.0%	10,310	21.2%	-1.4%	18,120	37.2%	-13.1%	15,460	31.8%	-4.0%
	quarter 3	48,110	4,780	9.9%	0.2%	10,330	21.5%	0.2%	17,470	36.3%	-3.6%	15,530	32.3%	0.5%
	quarter 4	45,630	4,130	9.1%	-13.6%	9,730	21.3%	-5.8%	15,800	34.6%	-9.6%	15,970	35.0%	2.8%
1995	quarter 1	46,350	4,480	9.7%	8.5%	10,380	22.4%	6.7%	14,130	30.5%	-10.6%	17,360	37.5%	8.7%
	quarter 2	45,940	5,160	11.2%	15.2%	10,470	22.8%	0.9%	12,830	27.9%	-9.2%	17,480	38.0%	0.7%
	quarter 3	46,690	5,260	11.3%	1.9%	10,620	22.7%	1.4%	12,220	26.2%	-4.8%	18,590	39.8%	6.4%
	quarter 4	44,140	4,500	10.2%	-14.4%	9,660	21.9%	-9.0%	11,530	26.1%	-5.6%	18,450	41.8%	-0.8%
1996	quarter 1	43,240	4,750	11.0%	5.6%	10,090	23.3%	4.5%	11,410	26.4%	-1.0%	16,990	39.3%	-7.9%
	quarter 2	43,300	4,370	10.1%	-8.0%	10,140	23.4%	0.5%	11,130	25.7%	-2.5%	17,660	40.8%	3.9%
	quarter 3	43,830	4,500	10.3%	3.0%	10,360	23.6%	2.2%	11,530	26.3%	3.6%	17,440	39.8%	-1.2%
	quarter 4	42,190	4,160	9.9%	-7.6%	9,640	22.8%	-6.9%	10,980	26.0%	-4.8%	17,410	41.3%	-0.2%

31 Households in temporary accommodation (England)

Households in England in accommodation arranged by local authorities under the homelessness provisions of the 1985 and 1996 Housing Acts by type of accommodation¹

		Total number of households accommodated at end of quarter	Bed and breakfast hotels ²				Hostels/Women's refuges				LA or RSL stock				Leased from the Private Sector by an LA or RSL				Other Private Sector ² Accommodation (inc private landlord)			
			Number		Percentage		Number		Percentage		Number		Percentage		Number		Percentage		Number		Percentage	
					of total	change on previous quarter			of total	change on previous quarter			of total	change on previous quarter			of total	change on previous quarter			of total	change on previous quarter
2010	quarter 1	51,310	2,050	4.0%	9.0%	4,240	8.3%	2.2%	7,790	15.2%	-4.8%	30,920	60.3%	-4.7%	6,320	12.3%	-6.1%					
	quarter 2	50,400	2,410	4.8%	17.6%	4,320	8.6%	1.9%	7,650	15.2%	-1.8%	29,820	59.2%	-3.6%	6,200	12.3%	-1.9%					
	quarter 3	49,680	2,660	5.4%	10.4%	4,360	8.8%	0.9%	7,610	15.3%	-0.5%	28,740	57.9%	-3.6%	6,320	12.7%	1.9%					
	quarter 4	48,010	2,310	4.8%	-13.2%	4,160	8.7%	-4.6%	7,430	15.5%	-2.4%	27,730	57.8%	-3.5%	6,380	13.3%	0.9%					
2011	quarter 1	48,240	2,750	5.7%	19.0%	4,250	8.8%	2.2%	7,490	15.5%	0.8%	26,960	55.9%	-2.8%	6,790	14.1%	6.4%					
	quarter 2	48,330	3,120	6.5%	13.5%	4,370	9.0%	2.8%	7,570	15.7%	1.1%	26,240	54.3%	-2.7%	7,050	14.6%	3.8%					
	quarter 3	49,100	3,370	6.9%	8.0%	4,380	8.9%	0.2%	7,890	16.1%	4.2%	26,380	53.7%	0.5%	7,090	14.4%	0.6%					
	quarter 4	48,920	3,170	6.5%	-5.9%	4,310	8.8%	-1.6%	7,990	16.3%	1.3%	26,080	53.3%	-1.1%	7,370	15.1%	3.9%					
2012	quarter 1	50,430	3,960	7.9%	24.9%	4,360	8.6%	1.2%	8,270	16.4%	3.5%	26,040	51.6%	-0.2%	7,810	15.5%	6.0%					
	quarter 2	51,630	4,230	8.2%	6.8%	4,350	8.4%	-0.2%	8,600	16.7%	4.0%	25,960	50.3%	-0.3%	8,500	16.5%	8.8%					
	quarter 3	52,960	4,120	7.8%	-2.6%	4,390	8.3%	0.9%	8,930	16.9%	3.8%	26,290	49.6%	1.3%	9,230	17.4%	8.6%					
	quarter 4	53,140	3,820	7.2%	-7.3%	4,280	8.1%	-2.5%	9,090	17.1%	1.8%	26,310	49.5%	0.1%	9,630	18.1%	4.3%					
2013	quarter 1	55,320	4,510	8.2%	18.1%	4,480	8.1%	4.7%	9,270	16.8%	2.0%	24,780	44.8%	-5.8%	10,810	19.5%	12.3%					
	quarter 2	55,840	4,350	7.8%	-3.5%	4,590	8.2%	2.5%	10,060	18.0%	8.5%	24,780	44.4%	0.0%	12,070	21.6%	11.7%					
	quarter 3	57,410	4,610	8.0%	6.0%	4,700	8.2%	2.4%	9,810	17.1%	-2.5%	25,660	44.7%	3.6%	12,630	22.0%	4.6%					
	quarter 4	56,940	3,920	6.9%	-15.0%	4,710	8.3%	0.2%	9,560	16.8%	-2.5%	25,460	44.7%	-0.8%	13,280	23.3%	5.1%					
2014	quarter 1	58,410	4,370	7.5%	11.5%	4,880	8.4%	3.6%	9,880	16.9%	3.3%	25,270	43.3%	-0.7%	14,010	24.0%	5.5%					
	quarter 2	59,570	4,590	7.7%	5.0%	4,980	8.4%	2.0%	10,120	17.0%	2.4%	24,800	41.6%	-1.9%	15,090	25.3%	7.7%					
	quarter 3	60,900	4,680	7.7%	2.0%	5,010	8.2%	0.6%	10,070	16.5%	-0.5%	23,290	38.2%	-6.1%	17,850	29.3%	18.3%					
	quarter 4	61,930	4,540	7.3%	-3.0%	5,090	8.2%	1.6%	10,530	17.0%	4.6%	23,460	37.9%	0.7%	18,320	29.6%	2.6%					
2015	quarter 1	64,710	5,270	8.1%	16.1%	5,040	7.8%	-1.0%	10,920	16.9%	3.7%	23,990	37.1%	2.3%	19,480	30.1%	6.3%					
	quarter 2	66,980	5,630	8.4%	6.8%	5,180	7.7%	2.8%	11,500	17.2%	5.3%	23,820	35.6%	-0.7%	20,850	31.1%	7.0%					
	quarter 3	68,560	5,910	8.6%	5.0%	5,310	7.7%	2.5%	12,210	17.8%	6.2%	23,520	34.3%	-1.3%	21,620	31.5%	3.7%					
	quarter 4	69,140	5,120	7.4%	-13.4%	5,360	7.8%	0.9%	12,480	18.1%	2.2%	25,580	37.0%	8.8%	20,610	29.8%	-4.7%					
2016	quarter 1	71,670	5,960	8.3%	16.4%	5,570	7.8%	3.9%	13,130	18.3%	5.2%	24,420	34.1%	-4.5%	22,590	31.5%	9.6%					
	quarter 2	73,120	6,530	8.9%	9.6%	5,520	7.5%	-0.9%	13,540	18.5%	3.1%	24,990	34.2%	2.3%	22,550	30.8%	-0.2%					
	quarter 3	74,630	6,680	9.0%	2.3%	5,690	7.6%	3.1%	13,610	18.2%	0.5%	24,180	32.4%	-3.2%	24,480	32.8%	8.6%					
	quarter 4	75,740	5,990	7.9%	-10.3%	5,700	7.5%	0.2%	14,040	18.5%	3.2%	24,150	31.9%	-0.1%	25,870	34.2%	5.7%					

Notes: ¹ Households in accommodation arranged by local authorities pending enquiries or after being accepted as homeless under the 1996 Act (includes residual cases awaiting re-housing and

² From 2002 Q1 onwards, some self-contained accommodation in Annex-style units previously recorded under B&B now more appropriately attributed to Private Sector Accommodation.

³ Homeless at home is defined as those households accepted as owed a main duty but able to remain in their existing accommodation for the immediate future. Cases in the final two columns include those households awaiting a decision on their application.

(P) Provisional data .. Data not collected

Totals may not equal the sum of components because of rounding.

a Westminster changed their classification of types of temporary accommodation in Jul-Sep 2014. Specifically they reported seven times the number of households in private sector property leased directly by the household rather than by the authority compared to the same quarter the year before. If Westminster's count of direct with private sector landlord is removed then 'Other private sector accommodation' is 27 per cent of the England total in TA.

Source: *Statutory Homelessness: England, DCLG Live Tables, Table 775*

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