

Temporary accommodation in England: is it value for money?



In Brief:

There has been considerable growth in spending in TA which does not constitute value for money.

The use of temporary accommodation (TA) in England is at record levels: in March 2024, more than 117,000 households in England were resident in it.

Although most households in TA are in London, significant increases in its use have in recent years occurred in the rest of the country.

Homelessness spending pressures now have the potential to destabilise the financial sustainability of some local authorities (LAs).

There are substantial gaps in both national and local data about the cost of TA.

Unlike for rough sleeping, there is no national strategy in place for TA.

LAs can take action to bring their spending on TA under control.

The needs of people experiencing homelessness who approach LAs for assistance appear to have become more complex.

There is a risk that TA may be unsafe and of poor quality.

Recommendations

National government: Publish a strategy for tackling all forms of homelessness, with clear objectives for the use of temporary accommodation (TA).

Conduct a review of funding streams used for TA to establish the extent to which they support its effective use, and the financial sustainability of local authorities (LAs).

Ministry of Housing, Communities & Local Government: Establish quality standards for the use of TA.

Promote higher standards of data on the cost and use of TA.

Assess the complexity of need of people experiencing homelessness placed in TA, and whether this is being fully met.

Local authorities: Review the data LAs hold on the cost and use of TA, and assess whether the approach that they are taking to it is commensurate with its scale and risk.

Explicitly address and plan for TA needs in local housing supply strategies.

Maximise the effectiveness of existing TA provision through targeted interventions to reduce inflow and drive move-on from TA wherever possible.

Contents

About the Centre for Homelessness Impact	6
Foreword	7
Executive Summary	8
Background	8
About temporary accommodation in England	8
Methods and findings	9
Recommendations	10
Introduction: The Centre for Homelessness Impact's work on value for money	11
Homelessness legislation and accountabilities in England	12
Part One: Homelessness and temporary accommodation use in England	20
Part Two: Spending on temporary accommodation in England	34
Part Three: The local authority response to increased demand for temporary accommodation	41
Part Four: The experience of temporary accommodation	50
Part Five: Key findings on the value for money of the use of temporary accommodation in England	57
Conclusion	65
Value for Money Recommendations	66



**Centre for
Homelessness Impact**

Temporary accommodation in England: is it value for money?

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by Niamh Flannigan, Heather McCluskey and Neil Reeder.

September 2024

About the Centre for Homelessness Impact

The Centre for Homelessness Impact champions the creation and use of better evidence for a world without homelessness. Our mission is to improve the lives of those experiencing homelessness by ensuring that policy, practice and funding decisions are underpinned by reliable evidence.

Person-first language

This report uses person-first language, putting a person before their circumstances. This is to avoid defining an individual by homelessness, which should be a temporary experience.

Centre for Homelessness Impact

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Foreword

As we confront the increasing challenge of homelessness in England, tackling the urgent issue of value for money in temporary accommodation has become essential. The Centre for Homelessness Impact is dedicated to assessing and enhancing the efficiency and effectiveness of our responses to homelessness.

Under the Homelessness Reduction Act 2017 and the Housing Act 1996, local authorities have a statutory duty to prevent and relieve homelessness. Despite these legal frameworks, the staggering rise in the use of temporary accommodation—now at unprecedented levels—highlights significant gaps in our current strategies and resources.

The statistics are stark. The number of households in temporary accommodation has surged from 48,000 in 2010 to over 117,000 today, reflecting a severe shortfall in affordable housing. The situation for families with children is particularly dire, with extended stays in Bed and Breakfast accommodation becoming distressingly common. The financial burden on local authorities has escalated dramatically in the last year, with total spending on temporary accommodation soaring to £2.29 billion in 2023–24, up by 31% since 2022–23, with net expenditure by councils rising by an astonishing 55%. Despite a central government goal to end rough sleeping, there is still no comprehensive strategy to reduce the use of temporary accommodation and tackle all forms of homelessness.

This report provides a critical analysis of the current state of temporary accommodation and offers insights into how we can better achieve value for money in our efforts to end homelessness for good. Our goal at the Centre for Homelessness Impact is to ensure that every pound spent is directed towards sustainable solutions that not only provide immediate relief but also pave the way for long-term stability and security for those affected by homelessness.

We invite you to engage with the findings of this report and to collaborate in creating a more effective and compassionate approach to homelessness in England.



Dr Ligia Teixeira,
Chief Executive, Centre for Homelessness Impact

Executive Summary

Background

The number of people in temporary accommodation in England is at a record high.

By the end of March 2024, there were more than 117,000 households resident in temporary accommodation – a figure that could continue to rise. Many experience stays of months if not years in accommodation which is often anything but temporary, and can in many cases be unsuited to their needs. The overall reported cost of temporary accommodation to the public purse in 2023–24 was £2.29 billion. This poses an increasing threat to the finances of a number of local authorities. Nevertheless, temporary accommodation provides support to people at a vulnerable time in their lives when they may otherwise be on the streets or in shelters.

The purpose of this evaluation is to understand how temporary accommodation presents risks to value for money in England today, and to suggest positive, practical solutions.

About temporary accommodation in England

Under English law, if a household is unintentionally homeless and in priority need of assistance due to including a child or a person who is vulnerable for other reasons set out in legislation, local authorities have a legal duty to provide suitable temporary accommodation until settled accommodation can be secured. Temporary accommodation varies depending on the availability of property, and can range from bed and breakfasts and hotels to hostels and temporary social housing or property in the private rented sector.

Methods and findings

In 2023 the Centre for Homelessness Impact developed a framework for using the principles of value for money (economy, efficiency, and effectiveness) to examine the journey that a person experiencing homelessness encounters when entering, living in, and moving on from temporary accommodation. Using this, in 2023 and early 2024 we conducted fieldwork on the use of temporary accommodation for people experiencing homelessness in local authorities throughout England. Our methods included:

- analysis of published data on homelessness and temporary accommodation in England;
- case study visits, which featured: interviews and focus groups with frontline staff; visits to temporary accommodation and discussion with people with lived experience of homelessness; and analysis of financial information; and
- reviews of strategic documentation, such as temporary accommodation and homelessness strategies.

We also conducted day-long “evidence sprint” workshops in Bournemouth, Christchurch, and Poole; Southend; Newcastle; Hackney; and with the Greater Manchester Combined Authority and the ten Greater Manchester local authorities. These focused on practical issues related to temporary accommodation and were highly tailored to the requirements of individual local authorities.

Recommendations

Our report makes the following recommendations to national government, the Ministry of Housing, Communities and Local Government, and to local authorities:

National government:

1

Publish a strategy for tackling all forms of homelessness, with clear objectives for the use of temporary accommodation.

2

Conduct a review of funding streams used for temporary accommodation to establish the extent to which they support its effective use, and the financial sustainability of local authorities.

Ministry of Housing, Communities & Local Government:

3

Establish quality standards for the use of temporary accommodation.

4

Promote higher standards of data on the cost and use of temporary accommodation.

5

Assess the complexity of need of people experiencing homelessness placed in temporary accommodation, and whether this is being fully met.

Local authorities

6

Review the data they hold on the cost and use of temporary accommodation, and assess whether the approach that they are taking to it is commensurate with its scale and risk.

7

Explicitly address and plan for temporary accommodation needs in local housing supply strategies.

8

Maximise the effectiveness of existing temporary accommodation provision through targeted interventions to reduce inflow and drive move-on from temporary accommodation wherever possible.



Introduction:

The Centre for Homelessness Impact's work on value for money

In our introduction to this report we set out:

- homelessness legislation and accountabilities in England;
- key facts on the use of temporary accommodation in England today; and
- the Centre for Homelessness Impact's approach to assessing and improving value for money.

Homelessness legislation and accountabilities in England

In England, under the terms of the Homelessness Reduction Act 2017 and the Housing Act 1996, local authorities have a statutory duty to take steps to prevent homelessness if there is a risk of a person or household facing homelessness within 56 days. English local authorities also have a statutory duty to take steps to relieve homelessness if a household is already homeless when they approach them for assistance.

The Ministry of Housing, Communities & Local Government holds responsibility in government for reducing homelessness. Other government departments also have a significant role to play in this: notably, the Department for Work and Pensions (DWP), which sets the level of Housing Benefit available in the private rented sector and in temporary accommodation. Although at the time of writing there is a central government target for ending rough sleeping there is no equivalent central government strategy in place for reducing the use of temporary accommodation or for tackling all forms of homelessness.

If a household is unintentionally homeless and in priority need of assistance then local authorities have a legal duty to provide suitable temporary accommodation until settled accommodation can be secured. Households may be in priority need in circumstances defined in law. This can include: when the household includes children, when a person is homeless as a result of domestic abuse, when a person is vulnerable as a result of old age, illness or disability, and in a number of other situations set out in legislation and the homelessness code of guidance.^{1 2}

It is unlawful to place families with children in Bed and Breakfast accommodation except in an emergency. Even in emergency circumstances the maximum length of time that families are legally permitted to stay in such temporary accommodation is six weeks. Local authorities are also obliged to make temporary accommodation placements in their own authority area, where this is reasonably practical, and if not, then as close to their local authority as they can.

Homelessness legislation in England is broadly similar to equivalent legislation in Wales, but differs from legislation in Scotland and Northern Ireland, where there is no duty to prevent homelessness. It also differs from legislation in Scotland, where since 2012 there has been no priority need limitation on whom local authorities must secure accommodation for.^{3 4}



1 <https://bit.ly/Gov-homelessness-code-of-guidance>

2 Subject to further provisions on immigration status and local connection

3 [The Scottish government has recently introduced a bill to introduce a homelessness prevention duty](#)

4 The Welsh government has stated its intention to follow Scotland in abolishing priority need in a 2023 white paper.

[← Back to Contents](#)

There has in recent years been a significant increase in the number of households experiencing homelessness placed in temporary accommodation in England. This has increased from 48,000 in 2010 to more than 117,000 as of March 2024 – the highest number ever recorded. Figure 1 sets out key facts about the use of temporary accommodation in England today. Local authorities have a legal duty to provide suitable temporary accommodation until settled accommodation can be secured; this considerable increase should therefore be seen as a reflection of the current national lack of affordable housing.

Figure 1: Key facts about the use of temporary accommodation for people experiencing homelessness in England

- **117,450 households in temporary accommodation** in March 2024 (4.87 out of every thousand households in the country,) up from 48,010 in December 2010 – an increase of 145%.^{5 6}
- **151,630 children living in temporary accommodation** in March 2024, compared to 69,050 in December 2010 – an increase of 120%.
- **17,750 households in Bed & Breakfast hotels** in March 2024, up from 2,310 in December 2010 – an increase of 668%.
- **5,550 families with children in Bed & Breakfast hotels** in March 2024, up from 660 in December 2010 – an increase of 741%.
- **3,250 families with children in Bed & Breakfast hotels for more than 6 weeks** (unlawful in the vast majority of cases) in March 2024, up from 150 in December 2010 – an increase of 2,067%.
- **36,360 households living in temporary accommodation** placed in a different local authority in December 2023, up from 5,810 in December 2010 – an increase of 526%.
- **£2.29 billion reported spent** by local authorities on temporary accommodation in 2023–24, up from £564m in 2010–11 and from £1.75 billion in 2022–23.^{7 8} An increase of 406%.
- **55.6% of households in temporary accommodation** in March 2024 were placed there by London boroughs (which account for only 16% of the population of England).
- **48%** of those living in private sector leased temporary accommodation in London and **8%** outside London had already been there for over 5 years, according to the published statistics for 2022–23.



5 <https://bit.ly/GOV-live-tables-on-homelessness>

6 <https://bit.ly/GOV-live-tables-on-homelessness>

7 <https://bit.ly/GOV-live-tables-on-homelessness>

8 2010–11 figure excludes TA administration costs, due to reporting changes. These were £161m in 2023–24.

The Centre for Homelessness Impact's approach to assessing and improving value for money

In January 2023 the Centre for Homelessness Impact launched a programme of work on value for money. This is based on the principles of value for money which – put simply – are about using resources to get better outcomes and refer to:

- economy, or spending less;
- efficiency, or spending the same but in a better way; and
- effectiveness, or using money to get better outcomes.

We have taken these high-level principles and tailored them to the subject of homelessness, with the aim of helping to drive practical improvements. The initial focus with this work has been on spending on temporary accommodation in the four nations of the United Kingdom. This is on the basis that temporary accommodation is by far the largest single area of expenditure within homelessness policy. In England, for example, in 2023–24 local authorities reported that they spent £2.29 billion on temporary accommodation, compared to £770 million on other types of homelessness activity.

At the heart of our work is our framework for assessing the value for money of the use of temporary accommodation. This framework was co-created with key stakeholders in public policy and local authorities throughout the United Kingdom.

The framework takes the principles of value for money and applies them to the journey that a person experiencing homelessness encounters when entering, living in, and moving on from temporary accommodation. The version of this framework that supported our assessment of the value for money of the use of temporary accommodation in England is shared in Figure 2.

During 2023 and early 2024 the Centre for Homelessness Impact's Value for Money (VFM) team conducted fieldwork on the use of temporary accommodation for people experiencing homelessness in local authorities throughout England.

Using a set of questions based upon our framework for assessing the value for money of the use of temporary accommodation, we undertook a range of methods including:

- analysis of published data on homelessness and temporary accommodation in English local authorities;
- case study visits to: Southend; four Greater Manchester local authorities (Salford, Bolton, Manchester City, and Rochdale) and the London borough of Hackney. These typically featured: interviews and focus groups with frontline staff; visits to temporary accommodation and discussion with people with lived experience of homelessness; and analysis of financial information; and
- reviews of strategic documentation, such as temporary accommodation and homelessness strategies.

In addition, we conducted day-long “evidence sprint” workshops in Bournemouth, Christchurch, and Poole, Southend, Newcastle, Hackney, and with the Greater Manchester Combined Authority and the ten Greater Manchester local authorities. As our value for money work is also intended to drive practical improvements, these workshops focused on practical issues related to temporary accommodation and were highly tailored to the requirements of individual local authorities. For example, working with the Greater Manchester Combined Authority, we explored how the different local authorities in Greater Manchester could work together more effectively in their use of temporary accommodation and private rented sector accommodation. In the London Borough of Hackney we worked with the local authority to identify how it could strategically elevate its plans for using temporary accommodation and what would be required within the council to enable it to work more cooperatively in tackling homelessness. These workshops typically involved representatives from the Centre for Homelessness Impact and senior figures working in homelessness and housing from the local authorities where they were being conducted.

The value for money work the Centre for Homelessness Impact has conducted with local authorities to date is just the beginning. It is intended to provide local authorities with a road map that we can work on with them in partnership over months and years to come.

This report also draws upon interviews conducted by the Centre for Homelessness Impact with people experiencing homelessness resident in temporary accommodation at a number of locations throughout London.

This report sets out the context of homelessness in England, as well as our findings on:

- spending on temporary accommodation in England;
- the local authority response to increased demand for temporary accommodation; and
- the experience of staying in temporary accommodation in England.

Our report concludes by making recommendations for improving the value for money of the use of temporary accommodation in England.

Figure 2: The Centre for Homelessness Impact value for money framework for the use of temporary accommodation

Overarching value for money question:

What is value for money in the use of temporary accommodation, and how can it be improved?

Economy question:

Could temporary accommodation be procured more cheaply? Could it cost less?

Supporting questions:

1. How much use do you make of temporary accommodation? Has this increased or decreased over the past six months? Do you understand the reasons why?
2. Do you have the cost data necessary to make informed and rational spending decisions about temporary accommodation? Where are the gaps? Which partners would you like more cost information from?
3. What is the variation in the cost of temporary accommodation?
4. Is there unjustifiable variation in the cost of temporary accommodation? Are the causes of this cost variation understood?
5. Is the impact of this on different regions understood?
6. What mechanisms are in place to ensure that use of the least economic means of temporary accommodation (including Bed and Breakfasts and nightly accommodation) is restricted?
7. Are there strong mechanisms in place for procuring temporary accommodation at the lowest possible price (while safeguarding quality)? Are these transferable?
8. Are there measures in place to ensure that temporary accommodation is procured economically for the system overall, preventing some areas from restricting their costs by boosting those of neighbouring areas?
9. Is there evidence of perverse incentives (including through manipulation of Housing Benefit, or of service charges) that cause public money on temporary accommodation to be spent uneconomically? This may include placing people in temporary accommodation for much longer periods than may be necessary.
10. To what extent are you able to respond to short term homelessness pressures in the most economic means available?
11. What strategic measures are in place to reduce the long term cost of temporary accommodation?

Efficiency question:

Could money used for temporary accommodation be better spent?

Supporting questions:

1. What data exists on uses of spending on temporary accommodation, across the system? What patterns are there? What gaps are there? What would be useful?
2. What strategic measures are in place to improve spending on temporary accommodation, across the system?
3. What are the standards for temporary accommodation? Are they monitored, and what action is taken in response?

Effectiveness question:

How effectively is temporary accommodation being used?

Supporting questions:

1. Are you able to conduct as much prevention activity as you consider to be likely to be effective?
 2. What information do you hold on the use and impact of spending on temporary accommodation and prevention? Where are the gaps? What would be useful?
 3. How do you know that the prevention activity that you are conducting is effective? Which partners would you like more information from?
 4. What long term horizon scanning is being done on the effective use of temporary accommodation?
 5. What quality measures are in place across the system for temporary accommodation?
 6. What knowledge exists on the long term impact of being in temporary accommodation on costs related to key life chances, such as on educational child development, and employment outcomes?
 7. What knowledge exists of how temporary accommodation can be most effectively used to facilitate moving on to more settled accommodation?
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[← Back to Contents](#)



Part One

Homelessness and temporary accommodation use in England

In this part of the report we set out:

- trends in the use of temporary accommodation; and
- causes of demand for temporary accommodation.

Overview of trends in the use of temporary accommodation in England

In recent years there has been a significant increase in the number of households experiencing homelessness placed in temporary accommodation in England. In March 2024, there were 117,450 households in temporary accommodation in England. This includes more than 151,000 children. The number of households in temporary accommodation in England is now at its highest ever and, as is set out in **Figure 3**, has increased by 145% since 2010. **Figure 4** sets out the increases which have occurred in the use of different types of temporary accommodation.

The current record number of households experiencing homelessness in temporary accommodation contrast with the period between December 2004 and June 2010, when the number was reduced from 101,030 to 50,400 households. This followed a sustained and targeted effort by both central government and local authorities to reduce numbers. There are indications that such a sustained effort may prove more challenging today. This occurred prior to the significant increases in the level of private rents that have occurred in recent years, for example. Welfare reforms have reduced the ability of low income households to afford these compared to the period before 2010. There has also been a continuous decline throughout this period in the amount of social housing available.

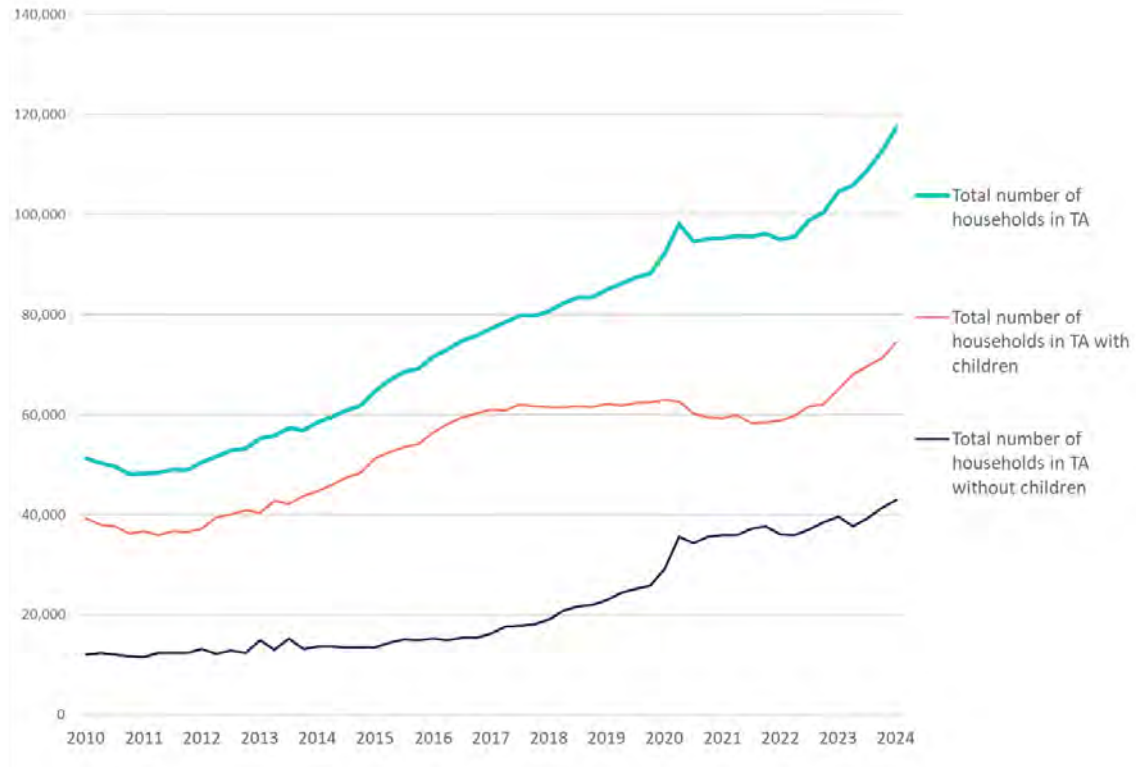
It is also worth noting that the 2004 to 2010 reduction in temporary accommodation occurred in a different legislative context – although the full impacts of this are not clear. Notably, this was prior to the introduction of the Homelessness Reduction Act from April 2018, which increased the role of local authorities in England in both the prevention and relief of homelessness, by making assistance in these areas a legal requirement, including for households not in priority need.⁹



9 <https://bit.ly/Homelessness-Reduction-Act-2017>

← Back to Contents

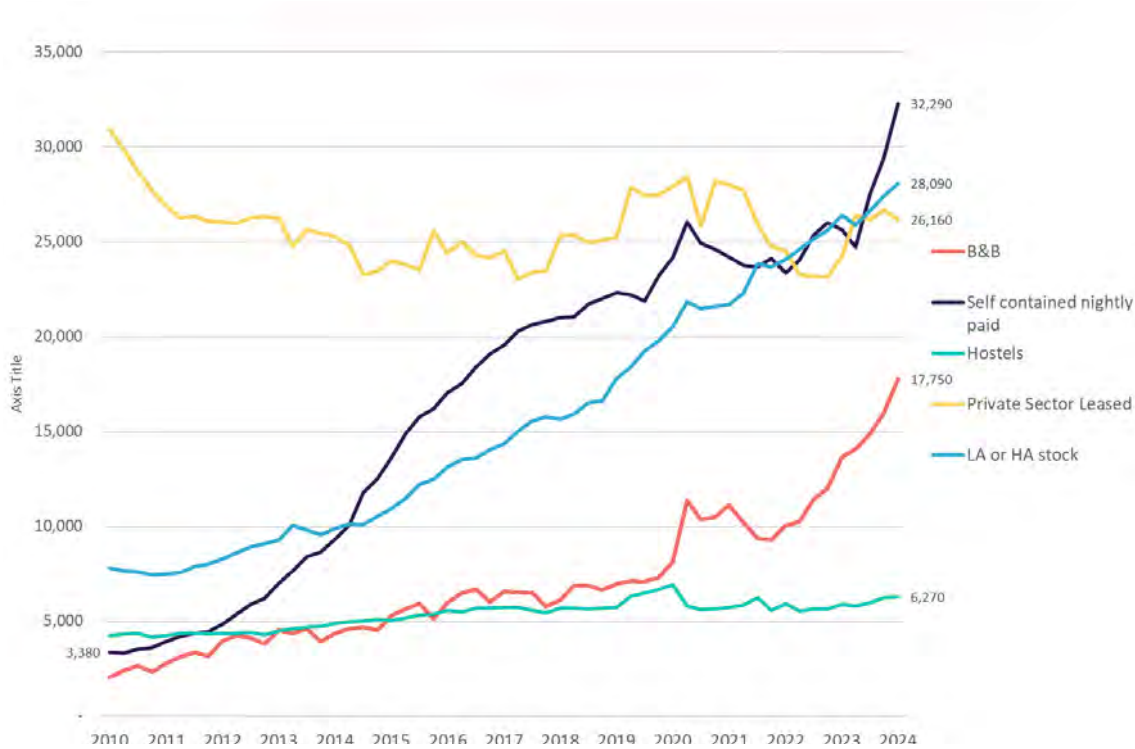
Figure 3. Change in the number of households accommodated in temporary accommodation in England, 2010 to 2024¹⁰



¹⁰ <https://bit.ly/GOV-live-tables-on-homelessness>

← Back to Contents

Figure 4: Number of households in England in temporary accommodation by temporary accommodation type 2010 to 2024¹¹



¹¹ <https://bit.ly/GOV-live-tables-on-homelessness>

Changes in the use of different types of temporary accommodation

The use of all different types of temporary accommodation has increased significantly since 2010. Reflecting the demand pressures on local authorities, as well as the increasingly restricted options available to them, the most noteworthy increases in the use of temporary accommodation have occurred in the use of nightly paid accommodation, bed and breakfasts, and social housing used for this purpose.

There has been a notable increase since 2010 in the use by local authorities of **self-contained nightly paid accommodation**. The number of households placed in such units grew from 3,380 in 2010 to 32,290 in March 2024 – a rise of 855%. This significant increase started in London in the early 2010s, and allowed local authorities to respond to rapid increases in demand for temporary accommodation without resorting to the unlawful use of Bed and Breakfasts. This approach has subsequently become more common outside of London. This is in part due to private landlords opting to convert Bed and Breakfast accommodation to self contained studios, which in practice share many of the same characteristics as Bed and Breakfasts (such as more restricted space and shared facilities) but are outside of the government's six week rule. It is also often the case that self-contained nightly paid accommodation might otherwise be used as leased temporary accommodation or let as private rented sector accommodation if the demand from local authorities for temporary accommodation were not so high.

In percentage terms, the greatest and sharpest recent increase has occurred in the **use of Bed and Breakfast accommodation**. As **Figure 5** sets out, in the more than two years between December 2021 and March 2024 the use of Bed and Breakfasts for homeless households rose by 92%, and the use of these for families increased by 327%. Since the enactment of the Homelessness Suitability of Accommodation Order, 2003, it has been unlawful for local authorities to place families in Bed and Breakfasts for more than six weeks.¹² Despite this, the number of families in Bed and Breakfasts for more than six weeks rose from 550 in December 2021 to 3,250 in March 2024 – an increase of 491%. Local authorities typically regard Bed and Breakfasts as the least suitable form of temporary accommodation, due to overcrowding, use of shared facilities, lack of support, restricted opportunities for children, and potential safety concerns. In addition, because some local authorities now have limited Bed and Breakfast capacity available to them, the use of commercial hotels, which are typically more expensive and without cooking facilities, has also increased.



¹² <https://bit.ly/Homelessness-Order-2023>

Figure 5: Change in the number of families in Bed and Breakfast accommodation in England, 2010 to 2024¹³



The number of households placed in temporary accommodation in social housing increased from 7,430 in December 2010 to 28,090 in March 2024. Such considerable use of this accommodation appears counterintuitive, as social housing could be used for long term settled accommodation. However, it also provides local authorities with a relatively inexpensive form of temporary accommodation in comparison to other types, such as Bed and Breakfasts.

Out of borough placements

A further indication of the increasing pressures on local authorities seeking to accommodate households in temporary accommodation, as well as the difficulties they can face in finding accommodation locally, has been the increase in the number of out of area placements, shown in **Figure 6**. These have risen from 5,810 in December 2010 to 36,360 in March 2024, an increase of 526%. Forty four percent of placements by London boroughs are now out of area — although these can often be to neighbouring areas. Thirty three percent of all households resident in temporary accommodation now live in an area outside of the local authority they originally approached for assistance.

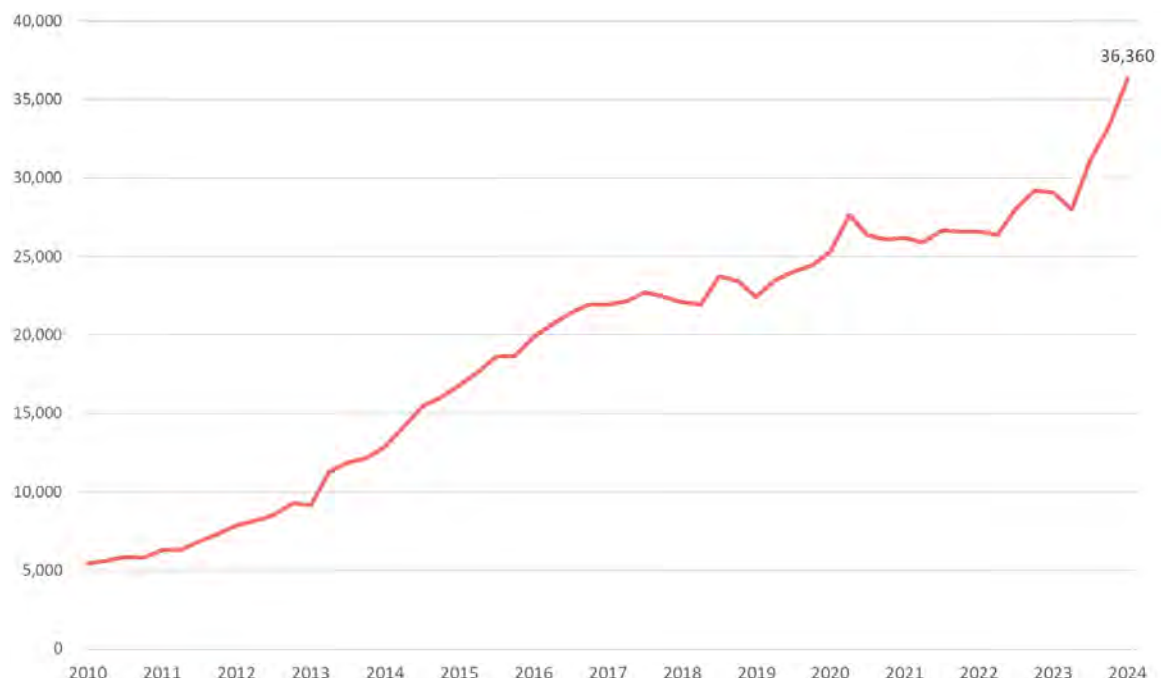


¹³ <https://bit.ly/GOV-live-tables-on-homelessness>

← Back to Contents

Local authorities report that a key driver of placing households experiencing homelessness outside of their home borough is cost, with households being placed in areas where accommodation is less expensive. There is a strong perception that this is leading to market distortions, making it more challenging for local authorities to find accommodation locally. The Local Government Association has published guidance¹⁴ on minimum standards for out of area placements, but this is advisory only. This is an issue about which, beyond headline figures, little information is available, as data on which areas particular local authorities have made placements in is not published.

Figure 6. Number of households in England in temporary accommodation in a different local authority area, 2010 to 2024¹⁵



¹⁴ <https://bit.ly/Out-of-Area-Placements-Guidance>

¹⁵ <https://bit.ly/GOV-live-tables-on-homelessness>

Regional trends in the use of temporary accommodation

As **Table 1** sets out below, between 2020 and 2024 there was significant variation between the different English regions in rates of growth in the use of temporary accommodation. There is also significant regional variation in the number of households in temporary accommodation and the types of accommodation in use.

The majority of households experiencing homelessness in temporary accommodation in England are in London. In March 2024, 56% of households in temporary accommodation were in London. This is despite London having just 16% of the population of England, and only 21% of new prevention and relief duties accepted by local authorities in the first quarter of 2024. In London overall in March 2024, 1 in 56 households were in temporary accommodation. This figure is higher in certain boroughs, the highest of which is Newham: in March 2024 Newham had 1 in 19 households – and 1 in 10 children – resident in temporary accommodation.

The overall proportion of temporary accommodation which is in London boroughs has, however, fallen in recent years, dropping to 56% from 65% in March 2020. Between March 2020 and March 2024 the number of households in temporary accommodation increased by 27% across England overall. However, the rise in London was only 9%. This compares with increases of 50% in the South East of England, 73% in the South West and 216% in the North East, albeit from a very low base in that region.

This rapid increase in demand for temporary accommodation outside of London is reflected in the types of temporary accommodation being used. London boroughs typically have greater experience of demand for temporary accommodation, and will as a result make greater use of some of its more long term types. In London, in March 2024 the proportion of households experiencing homelessness in temporary accommodation placed in Bed and Breakfasts was 10%. This was the lowest in the country, and contrasts with 35% in the South West, 38% in Yorkshire and Humber, and 29% in the East Midlands.

[← Back to Contents](#)

Table 1. Changes in number of households in temporary accommodation, by type and region, 2020 to 2024

Type/Region		England	North East	North West	Yorks & Humber	East Midlands	West Midlands	East of England	London	South East	South West
Total TA	March 2020	92,190	370	4,490	1,370	1,840	5,110	6,320	59,930	9,640	3,130
	March 2024	117,450	1,170	7,870	3,400	3,650	7,780	8,450	65,280	14,430	5,410
	% increase Mar-20 to Mar-24	27%	216%	75%	148%	98%	52%	34%	9%	50%	73%
	% of region's TA in Mar-24	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Private Sector Leased	March 2020	27,910	10	1,720	90	70	1,000	1,120	21,720	1,670	510
	March 2024	26,160	20	3,060	130	80	560	840	19,380	1,500	580
	% increase Mar-20 to Mar-24	-6%	100%	78%	44%	14%	-44%	-25%	-11%	-10%	14%
	% of region's TA in Mar-24	22%	2%	39%	4%	2%	7%	10%	30%	10%	11%
S/C Nightly Paid	March 2020	24,150	10	280	20	350	480	900	19,450	2,070	590
	March 2024	32,290	180	630	130	870	720	1,830	22,360	4,590	980
	% increase Mar-20 to Mar-24	34%	1700%	125%	550%	149%	50%	103%	15%	122%	66%
	% of region's TA in Mar-24	27%	15%	8%	4%	24%	9%	22%	34%	32%	18%
LA/HA stock	March 2020	20,530	110	680	910	770	2,290	2,570	9,700	2,730	780
	March 2024	28,090	260	1,040	140	430	590	780	2,370	190	460
	% increase Mar-20 to Mar-24	37%	136%	53%	-85%	-44%	-74%	-70%	-76%	-93%	-41%
	% of region's TA in Mar-24	24%	22%	13%	4%	12%	8%	9%	4%	1%	9%

[← Back to Contents](#)

Type/Region		England	North East	North West	Yorks & Humber	East Midlands	West Midlands	East of England	London	South East	South West
B&B hotels	March 2020	8,130	150	720	240	230	860	480	3,470	1,150	830
	March 2024	17,750	330	1,750	1,290	1,050	1,540	1,290	6,330	2,260	1,920
	% increase Mar-20 to Mar-24	118%	120%	143%	438%	357%	79%	169%	82%	97%	131%
	% of region's TA in Mar-24	15%	28%	22%	38%	29%	20%	15%	10%	16%	35%
Hostels	March 2020	6,920	50	920	90	390	400	990	3,530	300	260
	March 2024	6,270	260	1,040	140	430	590	780	2,370	190	460
	% increase Mar-20 to Mar-24	-9%	420%	13%	56%	10%	48%	-21%	-33%	-37%	77%
	% of region's TA in Mar-24	5%	22%	13%	4%	12%	8%	9%	4%	1%	9%
Other	March 2020	4,550	40	170	20	40	70	260	2,070	1,730	150
	March 2024	6,890	90	210	170	110	1,280	310	2,630	2,020	70
	% increase Mar-20 to Mar-24	51%	125%	24%	750%	175%	1729%	19%	27%	17%	-53%
	% of region's TA in Mar-24	6%	8%	3%	5%	3%	16%	4%	4%	14%	1%

Type/Region		England	North East	North West	Yorks & Humber	East Midlands	West Midlands	East of England	London	South East	South West
TA in another district	March 2020	25,290	20	810	90	190	350	530	21,510	1,330	470
	March 2024	36,360	140	1,700	520	220	700	1,290	28,680	2,640	480
	% increase Mar-20 to Mar-24	44%	600%	110%	478%	16%	100%	143%	33%	98%	2%
	% of region's TA in Mar-24	31%	12%	22%	15%	6%	9%	15%	44%	18%	9%

Time spent in temporary accommodation

There are a number of methodological challenges to establishing fully the amount of time that people experiencing homelessness stay in temporary accommodation.¹⁶ Nevertheless, it is clear that, due to the difficulties local authorities face in securing settled accommodation in social housing or in the private rented sector, in practice many households can be placed in temporary accommodation for many months and in certain areas for several years.

It is also clear that for current residents lengths of stay in temporary accommodation are much higher in London than in the rest of England. In 2022–23, the proportion of households in nightly paid self contained temporary accommodation who had already been staying there for over 5 years was 18% for London and 1% for the rest of England.¹⁷ For temporary accommodation leased by a local authority or registered provider, this increased to 48% of households in London who had already been resident for over five years and 8% for the rest of England. For local authority or housing association stock used as temporary accommodation, 27% of residents in London



¹⁶ These methodological challenges include that published statistics only look at the length of stay of current temporary accommodation residents by temporary accommodation type and only provide information in bands e.g. the number of people currently resident for over 5 years or between 6 months and a year. This makes it difficult to establish the average total length of time in temporary accommodation so far of all residents. Even if this number is known, it does not accurately predict the average duration in temporary accommodation from entering to leaving. If the number of households in temporary accommodation increases, for example, this will tend to reduce the average length of time in temporary accommodation of current residents in the short term because of the increased number of people who have just entered temporary accommodation.

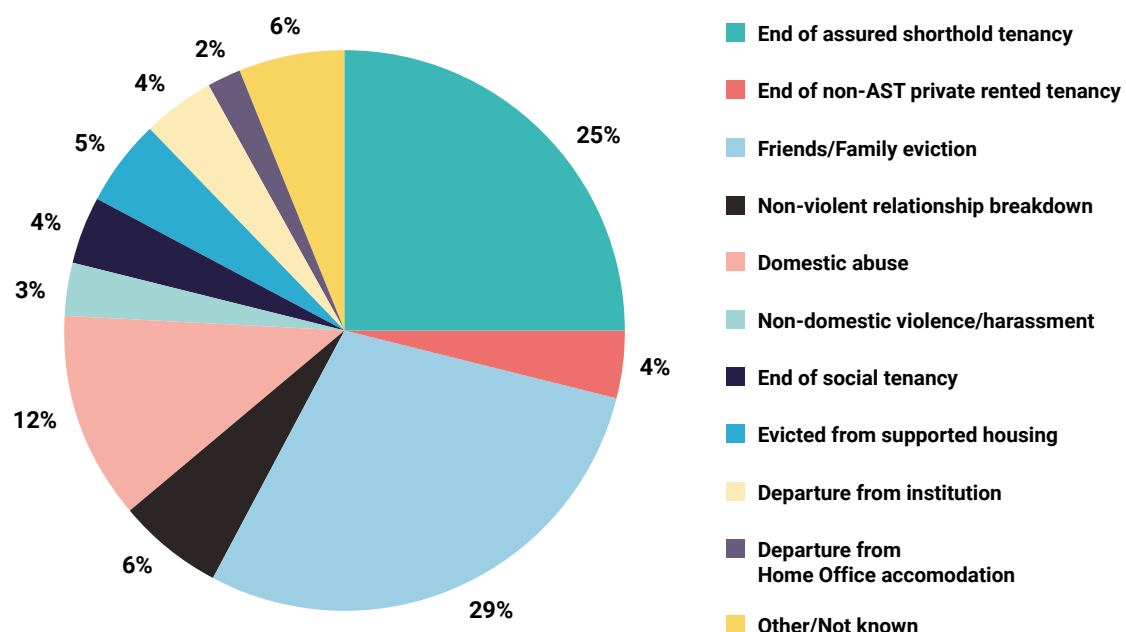
¹⁷ <https://bit.ly/GOV-live-tables-on-homelessness>

had been there for longer than five years compared to 4% outside London. The length of stay in temporary accommodation can be even longer in areas of extremely high demand pressure: in the London Borough of Hackney, for example, in 2023 there were 3,063 households in temporary accommodation, featuring 3,258 children. The predicted amount of time for these households to be in this accommodation before moving into more settled accommodation is 10 years.

Causes of increases in demand for temporary accommodation

As **Figure 7** sets out, in 2022–23 the leading recorded causes of households either being owed a homelessness prevention or relief duty were the loss of a tenancy in the private rented sector (29%, including both the end of an Assured Shorthold Tenancy (AST) and the end of a non-AST private rented sector tenancy) and friends and family no longer willing to accommodate (29% in 2022–23), followed by homelessness as a result of domestic abuse (12% in 2022–23).

Figure 7: Causes of homelessness or threatened homelessness 2022–23

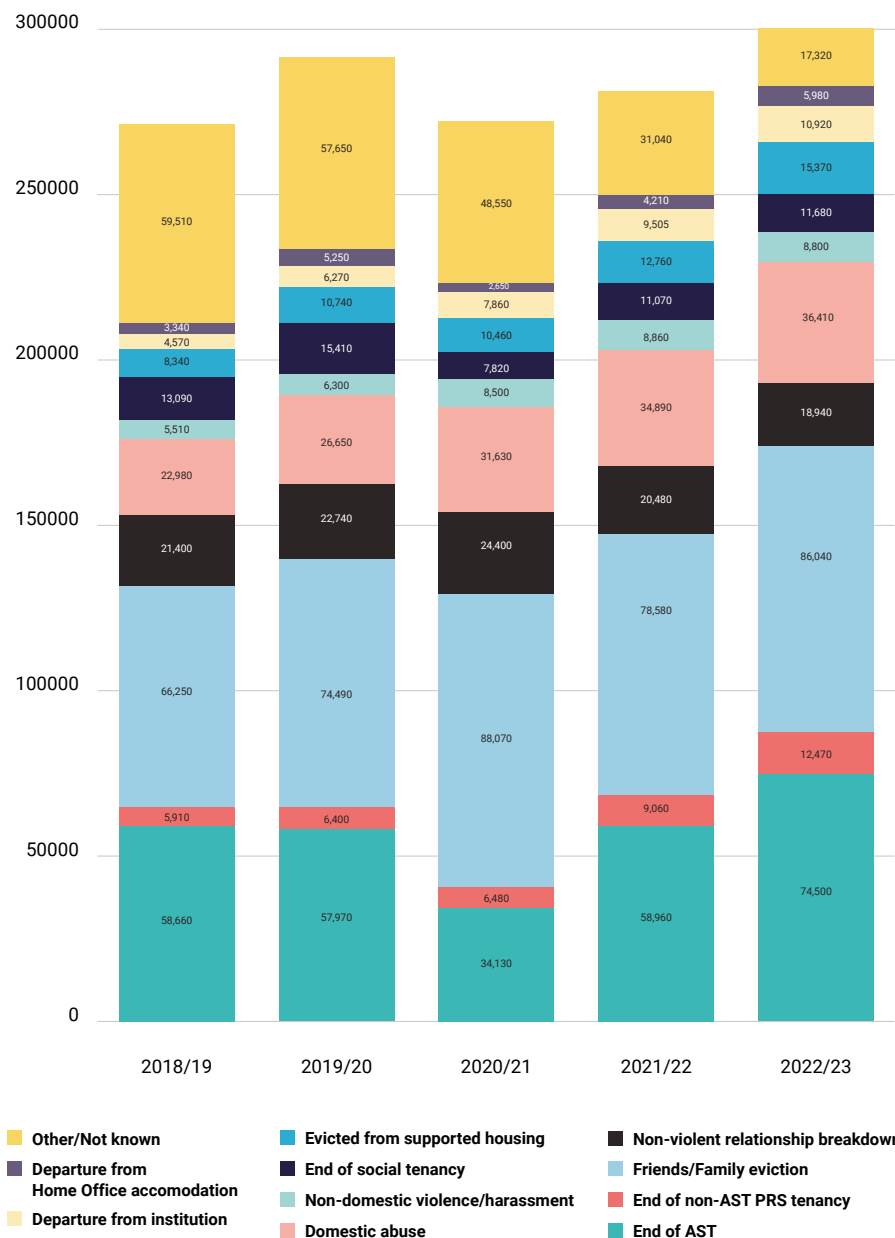


As Figure 8 sets out, the reasons why people experience homelessness or are at risk of doing so have remained broadly consistent in recent years. However, it is also notable that homelessness due to the loss of an Assured Shorthold Tenancy in the private rented sector reached record levels since the introduction of the Homelessness Reduction Act in 2022–23, having fallen significantly in 2020–21 during the Covid eviction ban period. Local authority homelessness prevention duties due to the risk of the loss of an Assured Shorthold Tenancy (AST) in the private rented sector rose by 20% between 2018–19 and 2022–23, with homelessness relief duties due to the

actual loss of an Assured Shorthold Tenancy increasing by 49% over the same period. The majority of those who were homeless or threatened with homelessness due to the loss of an Assured Shorthold Tenancy were recorded as no fault evictions due to the landlord wishing to sell or relet the property, with this cause rising from 48% of loss of assured shorthold tenancies in 2018–19 to 57% in 2022–23.

Additionally, and of particular relevance to the number of households in temporary accommodation, an increase has occurred in the number of households assessed as being owed a main homelessness duty as a result of homelessness prevention and relief efforts failing. This rose from 30,500 in 2018–19 to 52,800 in 2022–23 – an increase of 73%, with an increase of 24% between 2021–22 and 2022–23 alone.

Figure 8: Causes of homelessness or threatened homelessness 2018–19 to 2022–23



This growth in the loss of private rented sector accommodation appears to be largely due to an enduring and increasing mismatch between market rents and the Local Housing Allowance (LHA) rates payable towards rent for anybody reliant on Universal Credit. The LHA rate has been frozen since April 2020, during which time private sector rents have risen considerably. In our work with local authorities, the reduced availability of affordable accommodation in the private rented sector was repeatedly raised as one of the most significant challenges they faced in tackling homelessness. This has had two effects: one has been the increase in homelessness due to the loss of private rented sector accommodation and the other is the reduced availability of this accommodation for local authorities working to prevent or relieve homelessness.

In April 2024 the Government increased LHA rates to the 30th percentile of rents.¹⁸ The potential impact of this is not yet clear. Some local authorities we met with during our work were optimistic that this could improve accessibility to private rented sector property locally. Others suggested, however, that in their communities this may have little impact, due in part to the number of private landlords exiting the lower end of the market. Demonstrating this trend, a 2023 study for London Councils by Savills and the London School of Economics, found a 41% decrease in the number of private rented listings across London between 2017 and 2023.¹⁹ This also showed that between January and March 2023 only 2.3% of London listings on Rightmove were affordable to those using benefits to help pay their rent – falling from 18.9% in 2020–21.



¹⁸ As assessed by the Valuation Office Agency (VOA) based on all rents, not just new lets

¹⁹ <https://bit.ly/Private-Rented-Sector-Supply-in-London>



Part Two:

Spending on temporary accommodation in England

This part of the report sets out:

- trends in spending on temporary accommodation by local authorities in England;
- how temporary accommodation is paid for, and shortfalls in this;
- regional differences in spending on temporary accommodation;
- barriers to achieving value for money with spending on temporary accommodation; and
- spending on homelessness prevention.

Total spending by local authorities on temporary accommodation

Total spending by local authorities on temporary accommodation has grown in recent years, increasing from £564 million in 2010-11 to £2.29 billion in 2023-24. This represents a 406% increase over this period, in comparison to the 145% increase in the number of households in temporary accommodation. This increase has been especially sharp over the past few years, with total expenditure from local authorities rising by 67% between 2018-19 and 2023-24. Reported spending by local authorities in England on temporary accommodation constituted 75% of their total spending of £3.05 billion on homelessness services in 2023-24.

How temporary accommodation is paid for

Much of the cost to local authorities of temporary accommodation is recovered through Housing Benefit payments to people experiencing homelessness placed in this accommodation. In addition to this, local authorities fund temporary accommodation through a combination of residents' contributions from their own income and local authority contributions from their own budgets.

The government has put different rules in place for the amount of Housing Benefit subsidy that local authorities are permitted to use for different types of temporary accommodation:

- For **Bed & Breakfasts and hotel accommodation with shared facilities**, local authorities can claim the 1-bed Local Housing Allowance rate applicable in January 2011, regardless of the size of or the number of rooms they occupy. This makes Bed and Breakfasts expensive for local authorities, and in theory acts as a disincentive for local authorities to use them, especially for families. In contrast, the low rate of Housing Benefit that local authorities are permitted to claim for this type of accommodation means that its use is relatively less expensive for the Department for Work and Pensions.
- For **self-contained nightly paid and private sector leased accommodation**, Housing Benefit subsidy is set at 90% of the January 2011 Local Housing Allowance rate. This is regardless of whether it is overcrowded or under-occupied. In recent years, as private sector rents have risen, 90% of the 2011 Local Housing Allowance rate has fallen further behind the costs that local authorities have to pay to procure accommodation.

- For **hostels and supported housing used as temporary accommodation**, the level of subsidy claimed by a local authority depends partly on the decision of its Housing Benefit department. Some local authorities appear to cover more of the costs of supported accommodation through Housing Benefit than others.²⁰
- **Some local authorities also use central government grants, such as the Homelessness Prevention Grant, to help to subsidise the cost of temporary accommodation.** This then prevents this funding from being used for other purposes, such as homelessness prevention or providing support to households experiencing homelessness.
- For **local authority and housing association stock used as temporary accommodation**, rents are generally limited to the level that individual local authorities can set according to the Government's Rent Standard. This can, however, be supplemented by certain service charges to cover the additional costs of managing the stock as temporary accommodation.

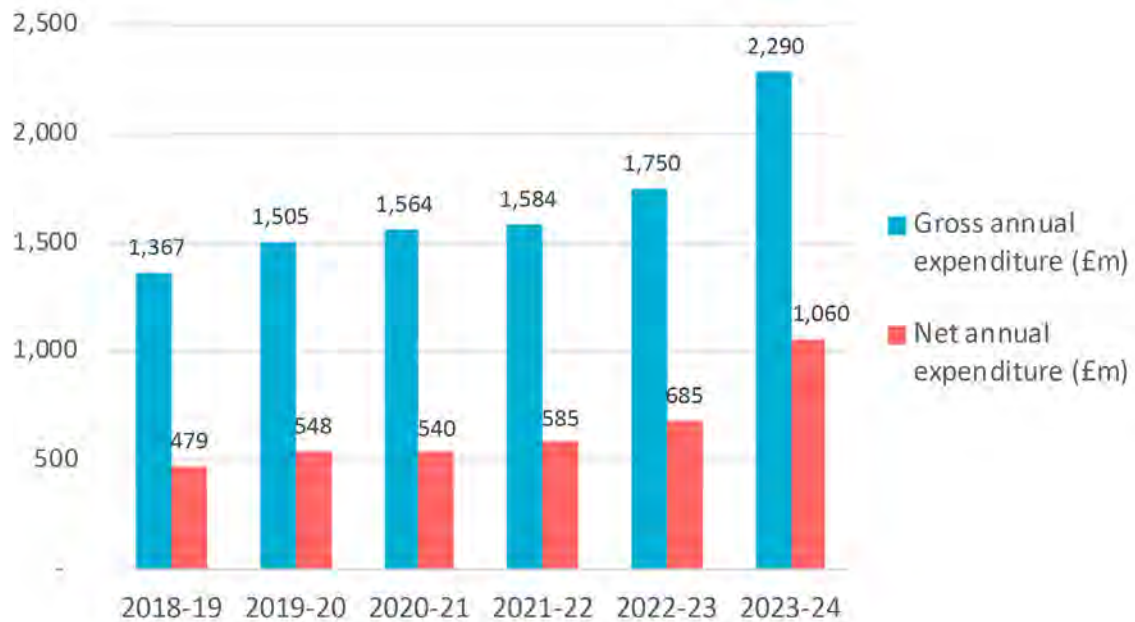
As **Figure 9** sets out, there is a significant shortfall between local authority spending on temporary accommodation and the income they receive to cover it. In 2023–24 this shortfall was £1.06 billion across England, up by almost 55% from £685m in 2022–23.²¹ It is this shortfall which is the actual net cost to local authorities of temporary accommodation. This revenue gap for spending on temporary accommodation leaves many local authorities with unfunded costs that need to be met from their general funding. Between 2018–19 and 2023–24 the shortfall increased by more than 120%. This contrasts with an 24% increase in local government spending (excluding education and police) over the same period, as assessed by HM Treasury's Public Expenditure Statistics. There was a step change in this increase in net costs in 2023–24, when there was an almost 55% rise in one year compared to a 43% over the previous four years.



20 Supported housing is accommodation provided alongside support, supervision or care to help people live as independently as possible in the community. This typically is provided to people with some form of vulnerability.

21 Central government also provides local authorities with other grants earmarked for homelessness. It is not possible, however, to quantify how much of these grants are used for spending on temporary accommodation, as this figure is not collected or published.

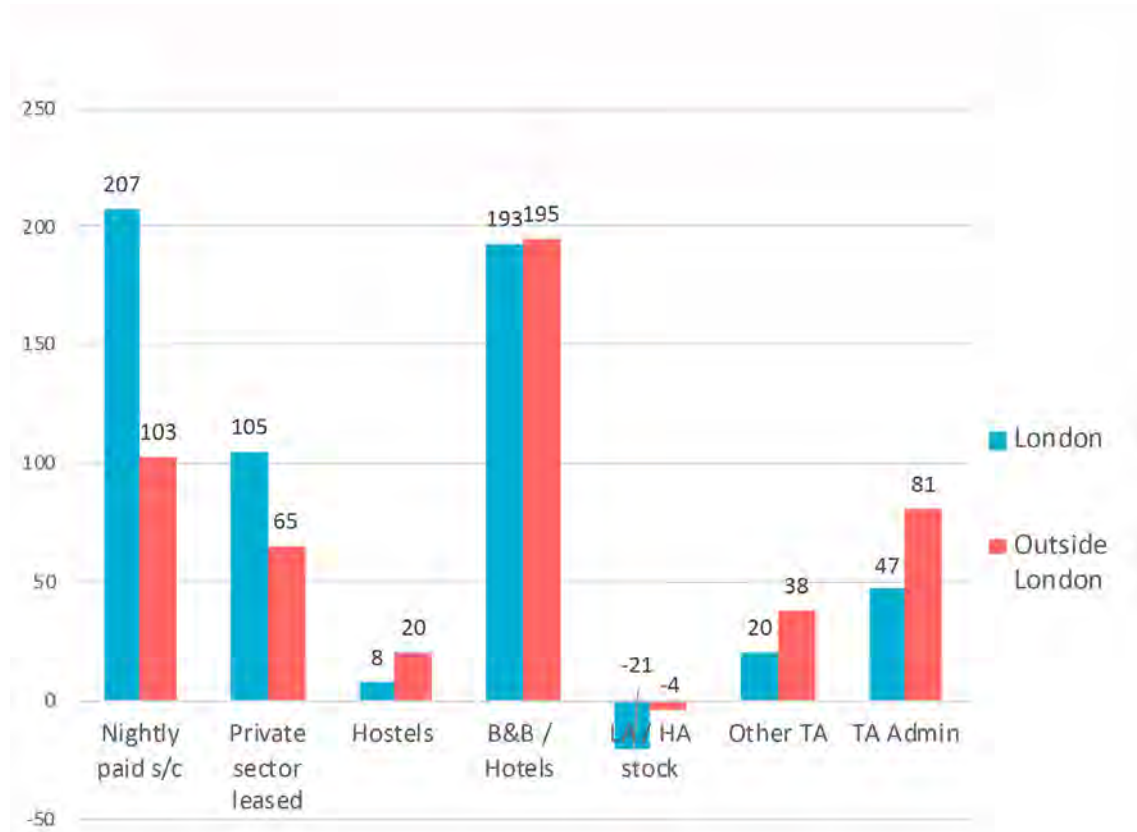
Figure 9. Gross and net temporary accommodation expenditure by local authorities in England 2018–19 to 2023–24



Regional differences in spending on temporary accommodation

Net unit costs of temporary accommodation are now actually higher on average outside of London, at around £200 per household per week, than within London, where they are at around £170 per household per week. This is despite accommodation in London being generally significantly more expensive than in other parts of the country. Figure 10 shows the distribution of net expenditure on temporary accommodation by different types, comparing London local authorities to those outside London in 2023–24. Lower unit costs in London are possibly partly attributable to London boroughs having greater experience of procuring temporary accommodation.

Figure 10: Net expenditure by temporary accommodation type in 2023–24, comparing London and non-London local authorities²²



Barriers to achieving value for money in the use of temporary accommodation

As this report sets out above, the use of temporary accommodation for people experiencing homelessness in England should not in and of itself be regarded negatively. Its use means that there is a legal entitlement by which many people at risk of homelessness are provided with accommodation who would otherwise be at risk of being on the street, or in some form of shelter. There is always likely to be a requirement for short term temporary accommodation for when households approach local authorities in an emergency and need somewhere to stay while their case is assessed. As of March 2024, almost 33,000 of the more than 117,000 households in temporary accommodation were placed there for this purpose.



²² The negative net expenditure figures for Local Authority and Housing Association stock used as temporary accommodation are because, on average, local authorities report making a surplus on this type of temporary accommodation. This may partly reflect expenditure on local authority housing stock being reported elsewhere outside the homelessness parts of local authority returns to government.

The majority of the more than 117,000 households placed in temporary accommodation as of the end of March 2024, however, are there because no suitable and affordable settled accommodation is available – and stays in temporary accommodation can last for several years. There are a number of areas where this significant use of temporary accommodation cannot, structurally, be considered value for money, as was frequently acknowledged in many of the local authorities we visited:

- Notably, local authorities are frequently using accommodation as **temporary accommodation that may cost less if used as settled accommodation**. A substantial amount of temporary accommodation is private rented or social housing stock. The cost to the public purse is likely to be higher in many cases than if this same accommodation was let as settled accommodation. For example, paying for accommodation on a nightly basis is likely to be more costly than doing so as part of a long term contract.
- Additionally, a significant amount of spending on temporary accommodation results in **money moving from the public to the private sector**. In 2023–24, for example, around £700 million was spent on commercial hotels and Bed and Breakfasts.

There are also national barriers to local authorities being able to achieve full value for money from their spending on temporary accommodation, as a result of the regulations placed on using Housing Benefit to pay for temporary accommodation, and the data available on spending on temporary accommodation:

- **Housing Benefit regulations encourage the use of certain types of temporary accommodation, irrespective of its suitability to the needs of people experiencing homelessness**. To a degree, regulations around the use of Housing Benefit can drive good practice, such as by seeking to discourage the use of Bed and Breakfasts. In other respects, however, it can skew local authority practice towards making use of whatever type of temporary accommodation attracts the highest levels of Housing Benefit subsidy, whether or not this is in the best interests of residents. In particular, a number of local authorities we spoke to were uncomfortable about being driven to use hostels or supported housing as temporary accommodation for households who did not need that type of accommodation. They opted to do so to take advantage of greater income from Housing Benefit for this type of accommodation.

- **Data gaps:** As established by forthcoming research by the Centre for Homelessness Impact, data on spending on temporary accommodation is not consistently reported by local authorities across England. This is demonstrated by the difficulties that arise when attempting to match reported spending on different types of temporary accommodation with information on the number of households reported as being resident in this accommodation. Overall, there is evidence that local authorities are on average under-reporting expenditure on temporary accommodation. This lack of a clear and reliable picture on local authority expenditure makes it challenging for local authorities to establish fully whether they are achieving value for money with their spending on temporary accommodation when compared to neighbouring councils or others with similar populations or profiles of temporary accommodation stock. This lack of clear national data on temporary accommodation spending also arguably impacts upon central government's ability to make rational decisions on homelessness policy and funding.

Homelessness prevention spending

In keeping with their legal duties, English local authorities currently conduct a substantial amount of homelessness prevention work although, as we also set out above, the success rates of this have declined somewhat in recent years. In 2022–23, for example, of the 130,770 households where a homelessness prevention duty ended, 68,960 (53%) ended in accommodation being secured for at least six months. However, this was down from 56% in 2021–22 and 60% in 2020–21.

Arguably, a logical means of reducing spending on temporary accommodation would be through increased prevention and relief of homelessness, thereby avoiding the need for people to go into temporary accommodation in the first place. This is a view repeated throughout the local authorities we have worked with. However, council homelessness teams also report that to increase spending on homelessness prevention they would need to have evidence that this represents an acceptable return on investment. This, in turn, requires demonstrating that this can reduce numbers of people going into costly forms of temporary accommodation. They regard this as an area where there is not currently sufficient data to clearly justify significant shifts in investment.

Local authorities with large or growing volumes of temporary accommodation also report that the financial pressures that they are experiencing mean that they have to spend most of their Homelessness Prevention Grant on subsidising temporary accommodation in order to reduce in-year deficits, rather than on homelessness prevention activities that might reduce spending on temporary accommodation in the medium term. The Homelessness Prevention Grant is not ring-fenced by government, meaning that there are no restrictions on its use.



Part Three:

The local authority response to increased demand for temporary accommodation

This part of the report sets out how local authorities in England have responded to increases in demand for temporary accommodation, focusing on:

- predicting increased demand for temporary accommodation;
- the impact of Home Office activity on local authorities;
- the effect of increases in demand on local authorities;
- the ability of local authorities to respond to increases in demand for temporary accommodation; and
- potential examples of good practice.

Predicting increased demand for temporary accommodation

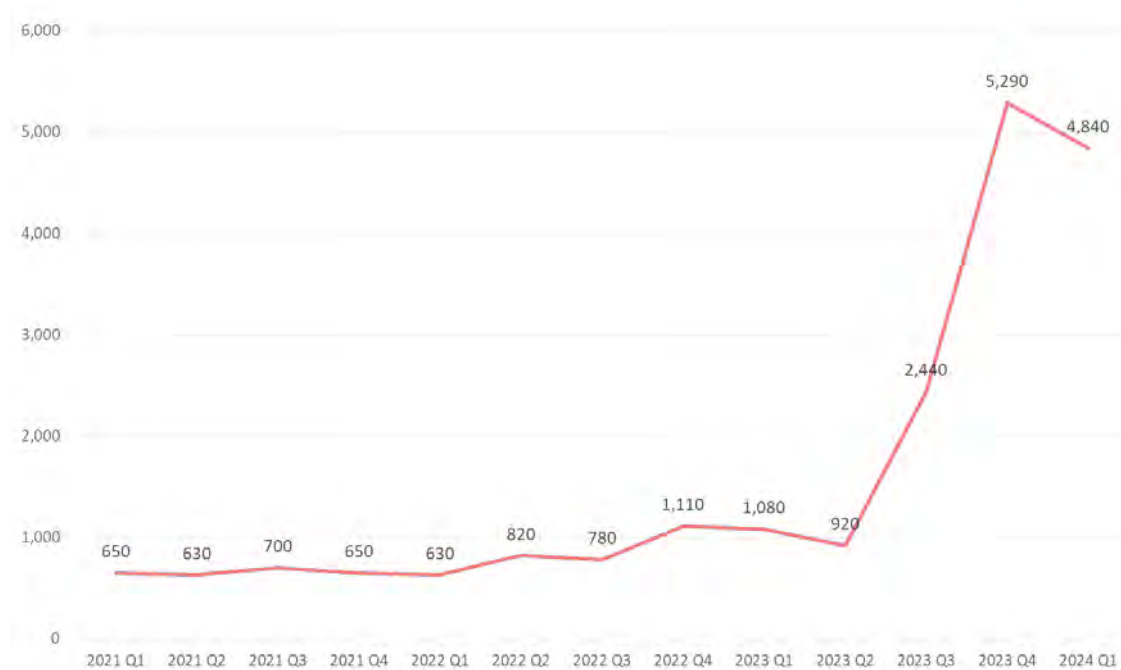
As this report sets out above, there has been a considerable increase in demand for temporary accommodation across England in recent years, with rises occurring beyond its historical hotspots. The rate at which this has occurred was not foreseen by many local authorities. In Salford, for example, the levels of temporary accommodation per thousand households were around half the England average in March 2022. In contrast, by March 2023, temporary accommodation per thousand households was 16% higher than the average for England as a whole. By June 2023, the figure had risen further, to 651 households in temporary accommodation – or 5.47 per thousand households.

Home Office pressures on local authorities

The unprecedented increase in demand for temporary accommodation that local authorities have experienced has been exacerbated by pressures resulting from Home Office asylum decision-making. Starting in August 2023, the Home Office began to give people receiving a positive asylum decision a minimum of seven days' notice to leave their National Asylum Support Service (NASS) accommodation – a reduction from the 28 days given previously. When those given leave to remain have to leave their accommodation at short notice, in many cases they will have no alternative accommodation, as well as no income from employment, and few contacts to provide them with assistance. In cases where households have priority under homelessness legislation, this will mean local authorities are required to provide them with temporary accommodation. If they do not fall into this category it can lead to rough sleeping.

All local authorities we have worked with from the autumn of 2023 onwards report that they are concerned by the contribution that asylum decision-making changes had made to their levels of demand for temporary accommodation. In certain cases, local authorities have also seen clear increases in rough sleeping by people in receipt of a positive asylum decision. Like other increases in demand, the scale of this is of a level that local authorities have not been able to predict. As Figure 12 sets out, nationally the number of homelessness relief duties owed in England as a result of households being required to leave accommodation provided by the Home Office as asylum support increased from 920 between April and June 2023 to 5,140 during October and December 2023 – an increase of 458%, before falling back slightly to 4,840 in the first quarter of 2024. This was 11.5% of all relief duties in England in the last quarter of 2023 and 10.0% of all relief duties in the first quarter of 2024.

Figure 12: Changes in homelessness relief duties as a result of applicants being required to leave Home Office accommodation



Impact of increases in demand on local authorities

In the absence of sufficient supply of temporary accommodation many local authorities have increased their use of Bed and Breakfasts and commercial hotels. At least 125 councils in England saw their numbers in this type of temporary accommodation more than double between September 2021 and March 2024. There are also signs that local authorities' ability to call upon Bed and Breakfast accommodation to respond to their increases in demand is becoming increasingly restricted. Many local authorities have "emergency rooms" in their temporary accommodation, designed to provide shelter to people only in very rare circumstances. During our work with local authorities, it has not been uncommon to find that these are now being used not by exception but several times a week.

Local authorities in England report that this increased demand has significantly impacted upon the workloads of their frontline homelessness staff, leading to increased sickness and absence levels. Taken in combination with the recruitment difficulties faced by many local authorities, this can contribute to reduced numbers of frontline staff on duty. This affects the ability of frontline staff to conduct work other than day-to-day emergency case management, and therefore draws capacity away from prevention work or taking strategic decisions on how to cope with increased demand more sustainably.

Even more fundamentally, a significant number of local authorities increasingly consider the rising cost of temporary accommodation a threat to their financial sustainability. The financial sustainability of local authorities has been at risk for a number of years. Several large local authorities in England have now issued Section 114 notices. Under the terms of these notices, no new expenditure is permitted with the exception of spending to fund statutory services, but existing commitments and contracts are honoured. This is the local authority equivalent of bankruptcy. Local authority finances have in recent years been affected by pressures stemming from the increased cost of adult and children's social care. It is clear, however, that spending on temporary accommodation now sits alongside these pressures. Salford City Council, for example, has now identified elevated spending on temporary accommodation as one of its key strategic risks.

The threat posed by the rising cost of temporary accommodation appears particularly acute when local authorities find themselves encountering rapid growth in spending on Bed and Breakfasts and other short term forms of accommodation. As we set out above, this is expensive and attracts low levels of Local Housing Allowance. In February 2024, English district councils reported that they considered rising homelessness costs to be their leading risk factor.²³ When local authorities find themselves in this situation it can be challenging to find within homelessness budgets the resources necessary for longer term strategic investments. These could be in areas such as increasing staffing levels or buying property to use as temporary accommodation, which might help reduce costs in the medium to longer term.

The local authority response to increased demand for temporary accommodation

Despite the clear significance of spending on temporary accommodation, many of the homelessness teams we have met suggest that they are “fire fighting” in dealing with increased homelessness numbers. This is partly because of what they regard as the limited options available to them due to increased private sector rents and a reduced number of social lets available following decades of sales of housing stock under right to buy legislation.



²³ Local Government Information Unit, The State of Local Government Finance in England 2024, available at: <https://bit.ly/Local-Government-Finance-England-2024>

The ability of local authorities to respond effectively to increased demand for temporary accommodation has also been restricted because in many cases they lack data on key issues related to homelessness. The introduction of the Homelessness Reduction Act in 2018 led to changes in local authority reporting requirements which increased the volume of homelessness data local authorities collect and report to central government. However, in many cases these new data requirements have led to councils using three different IT systems to track cases of people experiencing homelessness moving into temporary accommodation. These systems often do not communicate well with each other and are not linked to other systems local authorities may hold, such as children's and adult social services or rent accounting systems, and still less to NHS or prison services data. These data gaps can make it difficult for councils to understand both the causes of homelessness and the opportunities for early intervention, and the barriers to people moving out of temporary accommodation into settled housing.

Local authorities also commonly lack robust cost data on their spending on temporary accommodation. Data that they hold on spending on temporary accommodation is typically not of a detailed level on the types of accommodation being used or the different types of homelessness services being funded. In the absence of such information, it is challenging for local authorities to assess the impact of their different types of homelessness spending.

The responsiveness of local authorities to increased demand for temporary accommodation has also been impacted by this being an issue which is typically not a strategic focus. Local authorities have traditionally been focused on the cost pressures driven by adult and children's social care, as set out above, or on local priorities such as regeneration. When housing is a local authority priority, plans for increasing its supply will often make little reference to tackling homelessness. This lack of strategic focus, in combination with data gaps in areas such as the reasons why people are impacted by homelessness, has meant that often local authorities have not responded to temporary accommodation cost pressures until these increase rapidly as a result of significantly increased use of Bed and Breakfast accommodation.

Variation between local authorities in the use of temporary accommodation

Although the responsiveness of many local authorities to increased homelessness pressures has been restricted by the barriers set out above, there has been clear variation between them in this response. This is in part because of the different types of accommodation that they have available. It is also because they have the ability to respond to national pressures and policy changes by taking very different courses of action, including measures such as:

- changes to allocations policies for social housing;
- using social housing considered unsuitable for a long term lets (such as if it is an area that has been earmarked for regeneration) for temporary accommodation;
- procuring accommodation from the private rented sector; and
- using income streams such as Discretionary Housing Payments to pay off arrears, enabling people at risk of homelessness to stay in their homes.

Additionally, there are clear variations in practice in the joint working relationships within different local authorities, such as between homelessness services and children's services, or between homelessness services and local housing associations and voluntary sector organisations.

Potential examples of good practice in responding to increases in demand for temporary accommodation

Reflecting their ability to act independently, some local authorities have successfully managed to take action to grip their spending on temporary accommodation. In February 2023, Manchester City Council had 808 households in Bed and Breakfast accommodation per night. This consisted of 581 single people and 227 families – 131 of whom had at that time been there for 6 weeks or longer. At this point, Manchester was spending around £63,000 per night on Bed and Breakfasts, £23,000 of which was on families. The magnitude of this spending was such to significantly reduce Manchester's funding available for other services, and required urgent action. As of June 2024, Manchester reports that it has reduced this to 3 families in Bed and Breakfasts and 13 singles. It has also ended the use of Bed and Breakfasts for over 6 weeks for families. This has led to a £62,000 per night reduction in spending on Bed and Breakfasts – £22.6 million annually.

This was achieved through a number of actions in parallel. These included:

- conducting case checks by Housing Solutions managers to help homeless assessment officers to progress homeless applications. The aim of this is to conduct 500 case checks per week – at a time when Manchester City Council opens 125 applications each week;
- introducing a daily Bed and Breakfast panel, attended by officers from the council's Housing Solutions, Temporary Accommodation, Rough Sleeping, and Commissioning teams and chaired by senior managers. This has the purpose of accelerating the speed at which people experiencing homelessness are able to move on from Bed and Breakfasts. This includes matching people with available temporary accommodation; and
- running a supplementary weekly panel focussed on people who are in Bed and Breakfasts and have high support needs

There are also examples of good practice in other local authorities:

- Salford, for example, conducted analysis to identify the causes of people experiencing homelessness heading into temporary accommodation. Based on this, using health funding, they have employed two officers who work on preventing homelessness that arises as a result of hospital discharge.
- In 2016, following a monitoring and modelling exercise, the London Borough of Hackney opted to invest in a series of purchase and lease deals that enabled it to provide and manage its own temporary accommodation. This approach, in combination with the Council's re-purposing of its empty buildings and use of void properties earmarked for demolition due to estate regeneration, led to Hackney assembling 1,450 properties for temporary accommodation. The Council regards this as having enabled them to withstand financial shocks of the scale experienced by many other local authorities due to the rising cost of homelessness.

Since we at the Centre for Homelessness Impact launched our value for money programme of work at the beginning of 2023 we have worked closely with local authorities throughout the United Kingdom to identify how they might be able to work more effectively in addressing homelessness and temporary accommodation pressures. At the time of writing, areas of improvement that the Centre has been involved in include:

- In **Bournemouth, Christchurch and Poole (BCP)**, our work led to the council's homelessness team taking some immediate steps to improve the effectiveness of their support to people experiencing homelessness. Based on our initial analysis, BCP undertook more work to identify the number of households moving within temporary accommodation between different Bed and Breakfast placements. This reached 49 couples and single people and 19 families in January 2023 alone. As a result of this, BCP immediately put additional controls in place to reduce unnecessary movement, build capacity in the system, and understand more about the reasons for moving between different types of accommodation.
- In **Greater Manchester**, at the invitation of the Combined Authority, we worked with eight individual local authorities to devise recommendations for how the Greater Manchester area could work together more effectively in tackling homelessness and in its use of temporary accommodation. These cross-Greater Manchester measures are likely to include: the adoption of a pan-Greater Manchester approach for out of borough placements, an in-depth analysis of spending to understand costs of temporary accommodation in the region acting as an evidence base to support alternative approaches to new supply; and looking at workforce development opportunities for front-line staff to enable them to respond to homelessness risk pressures from a broader knowledge base.
- In the **London Borough of Hackney**, working with senior council leadership to devise means to refresh its temporary accommodation strategy and using this to increase the supply of temporary accommodation.

While each local authority is unique, it is clear that many of the ways forward identified by local authorities that we have worked with have fallen into the categories of:

- better use of data and evidence to inform practice;
- better join up and strategy within the whole council; and
- better joint working with other local authorities.

These measures are in no way sufficient to counter the structural barriers that exist to tackling homelessness, such as the shortage of affordable accommodation. However, each local authority in which the Centre for Homelessness Impact's value for money team has conducted work has found areas for improvement and ways forward in using data to take a more strategic approach.



Part Four:

The experience of temporary accommodation

This part of the report sets out

- people's experience of living in temporary accommodation;
- concerns about the quality and safety of temporary accommodation; and
- the complexity of need of people experiencing homelessness.

People's experience of living in temporary accommodation

At the heart of the value that we are seeking to measure with the Centre for Homelessness Impact's value for money work on the use of temporary accommodation is the impact that this can have on the lives of those experiencing or at risk of homelessness. Reflecting this, during our visits to local authorities we aim to visit temporary accommodation and interview residents as much as possible. We have also conducted a number of interviews with people resident in temporary accommodation alongside our value for money work, and we use evidence from these interviews in this section.

We have found people's experiences of being in temporary accommodation to be mixed. Many people we spoke to were profoundly grateful for being provided with accommodation. Individuals, and especially parents experiencing homelessness, were often appreciative of the intervention that being in temporary accommodation had played at that point in their lives. They were also often appreciative of the support they had received from local authorities and from providers contracted by local authorities.

However, as we set out in Part One of this report, many families experiencing homelessness can face lengthy stays in temporary accommodation. In consequence, it is not uncommon for parents in these circumstances to express concern about the insecurity of their and their childrens' situations, if they are unable to move on from temporary accommodation.

Additionally, residents in temporary accommodation can in some cases express concern that issues they raise, such as around the need for repairs to property, are not listened to or acted upon. These concerns appear to be borne out by research conducted in 2023 by Shelter, supported by Trust for London and the Joseph Rowntree Foundation and Housing Trust, using a sample of 1,112 people broadly representative of households living in temporary accommodation. This found that 26% of households in temporary accommodation had to wait more than eight weeks for an urgent repair, and 43% felt that they had been ignored when trying to get in touch with their temporary accommodation provider.²⁴



²⁴ Shelter, "Still Living in Limbo: Why the use of temporary accommodation must end," available at: <https://bit.ly/Shelter-Still-Living-In-Limbo>

The box below gives examples of people's experience of temporary accommodation in their own words, drawn from interviews with the Centre for Homelessness Impact.

Views of residents living in temporary accommodation:

'I am bidding for a two bedroom flat but, according to the council, if it is two bedroom I think you have to wait for 12 years. If it's for a one bedroom flat I think it's four or five years.'

It's a bit frustrating – waiting for 12 years with three kids, it's tough. Being a single mum, having three kids in one room, everything inside, and waiting for 12 years – it's difficult to be honest. But I hope that the council could find a way to help us because I am not the only one who is struggling.'

– **Rahwa**, 30, mother-of-three, north London

'What has also hurt me over the last couple of months is, my daughter spends most of her time now on her iPad or uses her mobile phone. That would be it. She would stay in her corner just looking at her iPad, watching different programmes.'

If we were in a home she would be cooking, she would have piano lessons – she hasn't been able to practice for a year now. She has missed all these opportunities. As a mother it was really hurting me so much. This is a torture to my daughter's mental and physical wellbeing, and ours.'

– **Selma**, 45, mother, west London

'I have been through a difficult situation in my life so I ended up in a women's refuge for six months to recover myself. And after that I applied for temporary accommodation. So that's how I ended up here.'

For me it's fine. I'm a very positive person, so I always see the bright side of things. So that helped me a lot. My view is incredible. People are very friendly with me, always happy to help, to give me a hand.'

– **Valeria**, 42, north London

[← Back to Contents](#)

'Living in the Travelodge all this time, nearly 11 months – two working adults, our dog and our teenage daughter – has been at times really traumatic. Living on top of each other, with our daughter at school, has been intolerable. And our mental health – trying to work, hold down jobs, move forward, stay positive and keep physically and mentally fit has been really difficult.

Also, we don't have a kitchen so trying to eat properly too has been impossible – having to either buy junk food. It just makes it really difficult. Our daughter spent her 13th year minus one month homeless. It was the first year of her teens homeless, Christmas – she has been subject to social anxiety. Her friends live in nice houses and she feels a great social anxiety. We don't know what effect that is having on her.'

– **Russ**, 50, father, west London

'My mum kicked me out when I told her I was pregnant. I slept on friends' sofas. When I went to the council for help the officer said, 'You don't look homeless.' It was a real struggle even to get into temporary accommodation.

I was working in retail as a sales assistant. No one believed me – I wasn't a man on the streets, I was working in a shop. It's all different sorts of people who are homeless that you wouldn't expect. There are lots of people who have gone through the same thing as me.

Regardless of your gender or race, it happens.'

– **Naomi**, 29, mother, south London

Concerns about quality, safety and impact of temporary accommodation

As this report sets out above, local authorities in England place people experiencing homelessness into a diverse array of different types of accommodation. This will vary according to the options and resources available to them and the volume of people that they are placing in temporary accommodation. As a result, there are widespread concerns about the quality of temporary accommodation nationally. It is common for frontline homelessness teams to acknowledge that they may be required to use accommodation which is of low quality or unsuited to long term needs. Reflecting this, further findings from the 2023 Shelter research included that: 21% of people in temporary accommodation reported that their accommodation featured a safety hazard, such as faulty wiring or fire risks. Sixty eight percent of respondents featured in this research stated that they had inadequate access to basic facilities, such as cooking or laundry facilities, and 35 percent of parents stated that their children did not have their own bed.²⁵ Additionally, during some of our visits we heard concerns from residents that temporary accommodation may not have the security necessary for certain households, such as those experiencing homelessness as the result of domestic violence. On other visits, however, we did observe temporary accommodation sites that included security features such as an on-call manager, a concierge desk and close circuit television cameras, which residents in these blocks said made them feel safe.

Placing people in temporary accommodation also has the potential to impact upon the lives of families experiencing homelessness by removing them from their local communities. In 2023, more than 27 percent of households in temporary accommodation had been placed more than an hour away from their previous home. Nineteen percent of families in temporary accommodation with school-age children had to travel more than an hour to get to their children's schools, and 47 percent of families with children of primary school age had to change their schools.²⁶

Local authority homelessness teams will have their own measures in place for inspecting and regulating temporary accommodation. At a national level, however, temporary accommodation is not regulated in the same way that other forms of social housing are. There are, for example, no national quality standards currently for temporary accommodation.



25 Shelter, "Still Living in Limbo: Why the use of temporary accommodation must end," available at: <https://bit.ly/Shelter-Still-Living-In-Limbo>

26 Shelter, "Still Living in Limbo: Why the use of temporary accommodation must end," available at: <https://bit.ly/Shelter-Still-Living-In-Limbo>

Setting the Standard

Setting the Standard²⁷ is a pan-London accommodation provision and inspection scheme used by London boroughs to monitor the quality of nightly paid temporary accommodation. This includes Bed and Breakfast, bedsit-type accommodation, hostels, and self-contained studio units.

Regular inspection of properties across London against a set of agreed standards is carried out by an experienced team of inspection officers using an inspection app, linked to a central web-based system, and shared with all boroughs.

Where identified, properties with Category 1 and high Category 2 hazards are referred to the relevant local authority for enforcement action. Inspected properties are graded from A to E with the aim of encouraging the use of better quality temporary accommodation and preventing properties which do not meet minimum standards from being used.

Increased complexity of need

One of the topics most frequently raised by local authorities during our visits to them was the perception that complexity of need had increased markedly among people approaching them who are experiencing homelessness or are at risk of homelessness. There appears to be statistical evidence of increasing support needs. Of people found to be owed a homelessness prevention or relief duty, those recorded as having no support needs fell from 145,000 in 2018–19 to 135,000 in 2022–23, while those who had at least one support need increased from 119,000 in 2018–19 to 157,000 in 2022–23. Those with three or more support needs increased from 33,000 to 48,000 over the same period. This equates to a 46% rise over four years in those with three or more support needs owed a homelessness prevention or relief duty compared to an 11% rise in the total number of households owed a duty.



²⁷ <https://bit.ly/Setting-the-Standard-CommissioningAlliance>

[← Back to Contents](#)

It is not currently possible to fully quantify the reasons behind the apparent increase in complexity of need. It is not clear, for example, whether this is genuinely the case, or people have become more articulate at expressing their needs, or have become less able to access other, non-statutory services. It is also likely that local authority staff have become better at recognising people's needs. However, it does appear that significant and increasing amounts of local authority staff time is taken in trying to find suitable accommodation and support for those with high support needs. This is because, in many areas, there is an acute lack of appropriate supported accommodation or Housing First provision. In some cases the hostels and supported accommodation that do exist are not able to cater for those with the most complex needs. In the most extreme cases, this can often lead to people with the highest needs being placed in Bed & Breakfast accommodation with little or no support.



Part Five:

Key findings on the value for money of the use of temporary accommodation in England

National trends in the use of temporary accommodation

- 1. The use of temporary accommodation in England is at record levels, driven partly by the lack of affordable accommodation.** In March 2024 more than 117,000 households experiencing homelessness were in temporary accommodation in England, up from 48,000 in 2010 – an increase of 145%. This is the highest number in recorded history. The greatest cause of homelessness in 2022–23 was the loss of a private rented sector tenancy, followed by friends and family no longer being willing to provide accommodation, and domestic violence.²⁸ We have frequently heard from local authorities that the reduced availability of affordable housing in the private rented sector has significantly contributed to increased demand for temporary accommodation. Local authority homelessness prevention duties due to the risk of the loss of an Assured Shorthold Tenancy in the private rented sector rose by 20% between 2018–19 and 2022–23, with homelessness relief duties due to the actual loss of an Assured Shorthold Tenancy increasing by 49% over the same period.
- 2. Most households in temporary accommodation in England have been placed there by London local authorities.** At the end of March 2024, 56% of all households in England in temporary accommodation had been placed there by London local authorities. This is despite London only constituting 16% of England's population and only 21% of new prevention and relief duties accepted by local authorities in the first quarter of 2024.



28 <https://bit.ly/GOV-live-tables-on-homelessness> Tables A2P and A2R

3. The greatest increases in the use of temporary accommodation in recent years have, however, occurred in other parts of England outside of London. The percentage of temporary accommodation accounted for by London boroughs has fallen, from 66% in December 2019 to 56% in March 2024. The rate of growth in the use of temporary accommodation has been much greater in many other parts of England. Between 2020 and 2024 the use of temporary accommodation rose by 9% in London, but 50% in the South East of England, 73% in the South West and 216% in the North East. The pace at which this growth has occurred has meant that some local authorities have seen their numbers in temporary accommodation increase considerably in a very short period of time. In the two years between September 2021 and 2023, for example, more than 125 local authorities in England saw their numbers in temporary accommodation increase by 50% or more. In more than 50 councils this number doubled. This compares to only four councils in England where numbers in temporary accommodation fell over this period. In Salford, for example, the levels of temporary accommodation per thousand households were around half the England average in March 2022. In contrast, by March 2023, temporary accommodation per thousand households was 16% higher than the average for England as a whole.

Spending on temporary accommodation

- 4. There has been considerable growth in spending on temporary accommodation which represents poor value for money for local authorities.** Between March 2022 and March 2024, local authorities' use of Bed and Breakfasts increased by 77%. Local authorities typically regard this as the least suitable form of temporary accommodation, due to issues including overcrowding and the use of shared facilities. In 2023–24 local authorities spent £700 million on commercial hotels and Bed and Breakfasts. There has also been a notable increase in the use of self-contained nightly paid accommodation. This covers a range of different types, and can often be accommodation that might otherwise be used as leased temporary accommodation. This means that the cost to the public purse is likely to be higher in many cases than if this was let as settled accommodation. Additionally, it is apparent that central government grants, such as the Homelessness Prevention Grant, are being used by local authorities to subsidise the cost of temporary accommodation.
- 5. Homelessness spending pressures now have the potential to destabilise the financial sustainability of local authorities.** Local authorities are able to recover some of their spending on temporary accommodation from Housing Benefit. The rate at which this is paid is set at a deliberately low level by the UK government for Bed and Breakfast accommodation, in order to discourage its use. It has also not increased for other types of temporary accommodation since 2011, and has not kept pace with increases in the cost of temporary accommodation to local authorities. Spending by local authorities on temporary accommodation increased by 67% between 2018–19 and 2023–24 – a time when total spending by local authorities only rose by 24%.²⁹ Local authorities now consistently report that increases in spending on temporary accommodation sit alongside adults and children's social care as threats to their solvency.

6. There are substantial gaps in both national and local data about the cost of temporary accommodation. The data that local authorities submit to national government about their spending on temporary accommodation lacks consistency. Similar types of homelessness spending can be recorded differently by different local authorities. In consequence, the national picture on temporary accommodation is not likely to account for all such spending. Local authorities also report that this blocks the sharing of good practice between comparable areas. Additionally, the introduction of the Homelessness Reduction Act in 2018 led to changes in local authority reporting requirements. This increased the amount of homelessness data local authorities collect and report to central government. However, these new data requirements also appear to have led to councils using more than one IT system to track cases of people experiencing homelessness moving into temporary accommodation. These systems often do not communicate well with each other and are not linked to other systems local authorities may hold. When the Centre for Homelessness Impact works closely with local authorities, we commonly find that it is possible for local authorities to be able to strengthen their understanding of the value for money of their temporary accommodation through improvements to their cost data and its use.

National government and temporary accommodation

7. Unlike for rough sleeping, there is no national strategy in place for temporary accommodation. As our report sets out, temporary accommodation is highly significant both in the lives of hundreds of thousands of people experiencing homelessness and to the finances of local authorities. Ensuring that it is used as well as possible will be complex and will require the involvement of a number of government departments. Despite this, there is currently no government strategy for temporary accommodation setting out, for example, national targets for its use. This contrasts with rough sleeping, for which there is a cross-departmental strategy setting out the government's intention to end rough sleeping entirely.

Local authorities' ability to respond to demand

8. Local authorities are finding it challenging to respond strategically to increased demand for temporary accommodation.

Local authorities have often looked to forecast changes in demand for temporary accommodation based on historical trends. However, in many cases the scale of recent changes, as well as the pace at which private rents are increasing and properties are being withdrawn from the private rental market, has not been anticipated. Compounding this, local authorities often do not feel sighted on increases in demand for homelessness services caused by Home Office asylum decisions. As a result, local authorities commonly describe their response to increases in demand for temporary accommodation as “fire fighting”. Local authorities are also often not set up to respond to increases in demand with agility or strategically. They commonly lack robust data and analytical capability, for example, and homelessness may not be a priority for individual councils. It is clear that for a significant number of local authorities the rise in demand for temporary accommodation is leading to an unexpected and unbudgeted rise in costs. Frontline homelessness teams are generally fully occupied by the increase in demand for homelessness services. However, local authorities themselves often do not respond to this challenge until they are spending considerable sums on the most expensive types of accommodation, potentially jeopardising their financial sustainability.

9. Local authorities can take action to bring their spending on temporary accommodation under control.

Many local authorities consider this to be the most challenging period their homelessness services have experienced. However, different parts of England appear to be securing differing levels of value for money from their use of temporary accommodation. These points indicate that some local authorities are managing to strengthen their grip on certain key aspects of the value for money of temporary accommodation. Manchester City Council, for example, took an approach that included introducing case checks to enable faster progressing of homelessness applications and introduction of a daily panel to help move people on from Bed and Breakfasts to available temporary accommodation. This has contributed to Manchester being able to reduce its spending on Bed and Breakfasts by £62,000 per night, or £22.6million annually. The London Borough of Hackney has made a range of investments that have enabled it to manage its own temporary accommodation, which it considers to have helped control its cost. As these examples demonstrate, local authority responses that appear to be effective in improving the value for money of spending on temporary accommodation typically make better use of data and evidence to inform practice, and to take a strategic approach to tackling homelessness.

10. The Centre for Homelessness Impact has worked closely with local authorities keen to use better data and evidence to take a more strategic approach to tackling homelessness. As well as gathering evidence, our value for money work is designed to help local authorities drive improvements in their homelessness services. Together with Bournemouth, Christchurch and Poole, for example, we conducted an analysis in 2023 which identified the number of households moving within temporary accommodation between different Bed and Breakfasts, at great financial and staff cost. Acting on this data enabled the local authority to put immediate controls in place to reduce costly movement between Bed and Breakfasts. Changes of this nature, as well as those in the paragraph above, are in no way sufficient to unpick the structural causes of increases in demand for temporary accommodation that have occurred in England in recent years. Nevertheless, in each local authority that the Centre for Homelessness Impact has worked with we have been able to identify useful areas for improvement by reducing costs and improving outcomes for residents.

People approaching local authorities for assistance

11. The needs of people experiencing homelessness who approach local authorities for assistance appear to have become more complex. One of the most common issues raised in our visits to local authorities is the almost universal perception that the needs of people experiencing or at risk of homelessness have become more complex in recent years. It is not clear whether local authorities are now better at recognising people's needs, or people have become more articulate at expressing their needs, or have become less able to access other, non-statutory services. Nevertheless, there is evidence of increasing support needs: the number of people with three or more support needs rose from 33,000 (12% of all households) to 48,000 (16% of all households) over the period 2018–19 to 2022–23 – a 46% increase in four years.³⁰ Local authorities we visited often suggested that this can have a significant impact, increasing the amount of time that frontline homelessness staff take trying to find suitable accommodation and support for those with high support needs.



30 <https://bit.ly/GOV-live-tables-on-homelessness> Table A3

- 12. There is significantly increased demand for homelessness services as a result of the growth in the number of asylum seekers given leave to remain without accommodation.** Since 2023, a focus of the Home Office has been accelerating its asylum decision-making processes. This has led to an increase in the number of people leaving asylum accommodation who are permitted to stay in the United Kingdom but then require some form of homelessness assistance. Nationally, the number of people requiring homelessness relief as a result of leaving asylum accommodation increased from 1,110 between October and December 2022 to 5,410 a year later – a 363% increase.³¹ Local authorities report that this is, in many cases, placing considerable pressure on their homelessness services – especially temporary accommodation – which they had not planned for.
- 13. There is a risk that temporary accommodation may be unsafe and of poor quality.** During our value for money work when visiting local authorities we seek to meet with people experiencing homelessness to understand their lived experience of temporary accommodation. The provision of temporary accommodation provides a safety net, enshrined in legislation, that does not exist in the same way in many other comparable nations. In our visits we often interview people who welcome the support that temporary accommodation provides them. However, while local authorities typically have measures in place to safeguard and inspect the quality of their temporary accommodation, they are also often concerned about both its quality and safety. This is especially the case when it comes to Bed and Breakfasts and commercial hotels. The regulations which apply to other forms of social housing, such as around quality, do not apply to temporary accommodation.
- 14. For many people experiencing homelessness, temporary accommodation is anything but “temporary.”** In practice, many individuals and families experiencing homelessness can stay in temporary accommodation for months and, in certain areas, for years. Lengths of stay are higher in London than in the rest of England. In 2022–23, the proportion of households in nightly paid self contained temporary accommodation who had already been staying there for over 5 years was 18% for London and 1% for the rest of England. The length of stay in temporary accommodation can be even longer in areas of extremely high demand pressure. In the London Borough of Hackney, for example, the predicted amount of time for families to be in temporary accommodation before being able to move into more settled accommodation is 10 years.



³¹ <https://bit.ly/GOV-live-tables-on-homelessness> Table A2R

Conclusion

In England today more than 117,000 households experiencing homelessness live in temporary accommodation. This is the highest number ever recorded, and our visits to local authorities suggest that this could well rise still further. In many cases people experiencing homelessness stay in “temporary” accommodation – potentially unsuited to their needs – for many years. There is a considerable financial cost to this – £2.29 billion in 2023–24. This is 75% of all spending on homelessness services, and has risen so rapidly that it now poses a risk to the financial sustainability of certain local authorities. Much of this spending cannot be considered value for money: in 2023–24, for example, local authorities spent £700 million on Bed and Breakfasts and commercial hotels, which are expensive and regarded as unsuitable to people’s needs. Additionally, it is clear that funding designed for homelessness prevention is actually being used to subsidise spending on temporary accommodation.

It is clear that solutions to homelessness will, in the long term, require tackling its major structural causes, especially the shortage of affordable housing. However, people experiencing homelessness and the local authorities whose responsibility it is to provide them with temporary accommodation require, as a first step, more immediate action. Based on our work with local authorities in England, this report makes recommendations in areas where both national government and local authorities can improve the value for money of the use of temporary accommodation. These are founded on our belief that the value for money of temporary accommodation could be improved by taking an even more strategic and data-led approach to its use.

Value for Money Recommendations

Based on our work in England, there are a number of areas where we propose that action should be taken across the three areas of the value for money framework: economy, efficiency, and effectiveness.

To government overall:

1. Publish a strategy for tackling all forms of homelessness, with clear objectives for the use of temporary accommodation. This should:

- be led centrally, with a direct line of sight to the centre of government, sitting above individual departments;
- set out clearly the responsibilities and accountabilities of different government departments, such as the Department for Work and Pensions and the Department of Health and Social Care, in preventing and tackling homelessness, as well as arrangements for delivery and monitoring;
- include an overall target for reducing the use of temporary accommodation in England. This should be linked to a framework setting out a clear and defined vision for ensuring that the use of temporary accommodation is as short, safe, and suitable as possible; and
- be supported by a delivery plan which includes, as an immediate step, a focus on rapidly reversing the growth in the use of Bed and Breakfasts. This should also include spreading best practice on how to improve the value for money of temporary accommodation at pace, sharing good practice on how neighbouring local authorities can work together effectively in partnership, and guidance on how to invest to reduce the long term cost of temporary accommodation.

2. Conduct a review of funding streams used for temporary accommodation to establish the extent to which they support its effective use, and the financial sustainability of local authorities. The government should conduct a full review of the use that local authorities make of funding streams for temporary accommodation. Such a review could include assessing whether it would be effective to geographically target certain benefits.

Based on this review, if necessary the government should seek to realign funding streams to ensure that they encourage the most effective use of temporary accommodation, reflect the demand that local authorities currently face, and support placements into settled accommodation rather than long stays in temporary accommodation .

To the Ministry of Housing, Communities & Local Government

- 3. Establish quality standards for the use of temporary accommodation.** The Ministry of Housing, Communities & Local Government should establish and publish quality standards for temporary accommodation. The Ministry should also ensure that these standards build on existing local good practice, such as Setting the Standard in London, and are backed by a regulatory framework in which measures of accountability and sanction are clear.
- 4. Promote higher standards of data on the cost and use of temporary accommodation.** The Ministry should seek to improve the quality of data on temporary accommodation and spending on it by:
 - developing a good practice data input model for the expenditure returns that local authorities make to central government regarding homelessness and temporary accommodation;
 - developing a system of scrutiny and cross checks to improve the quality of published temporary accommodation spending data. This should include provision of tailored support to local authority accounting officers where needed; and
 - seeking to improve information held on topics not currently covered, including: out-of-borough placements into temporary accommodation and the conditions of temporary accommodation, and the impact of time spent in temporary accommodation.
- 5. Assess the complexity of need of people experiencing homelessness placed in temporary accommodation, and whether this is being fully met.** Using the data that it has available, the Ministry should:
 - assess whether the needs of people experiencing homelessness being placed in temporary accommodation have become more complex; and
 - based on the results of this assessment, the Department should seek to work with local authorities to establish whether people are moving into accommodation where their needs are being suitably met, and develop measures for improving this.

To local authorities in England:

6. Review the data they hold on the cost and use of temporary accommodation, and assess whether the approach that they are taking to it is commensurate with its scale and risk. Local authorities should, building on the approach that the Centre for Homelessness Impact has taken with local authorities in England,:

- assess the data they hold on the reasons why people experiencing homelessness enter temporary accommodation, identifying whether there are certain groups about which there are data gaps and/or where enhanced prevention work is required; and
- assess the data they hold on the cost of different types of temporary accommodation, identifying whether there are certain types of accommodation about which there are data gaps, as well as whether there are measures possible to reduce its cost and improve its quality.

7. Explicitly address and plan for temporary accommodation needs in local housing supply strategies. Local authorities should ensure that their strategies for housing supply:

- plan to ensure that a sufficient supply of temporary accommodation of an appropriate standard is available to respond to their strategic needs. This especially applies to local authorities experiencing or anticipating high demand for homelessness services, where a strategic approach and forward planning should assist in achieving better value for money in the provision of temporary accommodation; and
- ensure that their strategy for tackling all forms of homelessness, including temporary accommodation, is clearly owned, updated, and monitored by local authority senior leadership.

8. Maximise the effectiveness of existing temporary accommodation provision through targeted interventions to reduce inflow and drive move-on from temporary accommodation wherever possible. Local authorities facing high numbers of households in temporary accommodations should introduce pragmatic solutions that seek, wherever possible, to help households move-on into sustainable housing as quickly as possible. This could draw on examples such as the approach taken by Manchester City, and focus on reducing 'churn' in repeat placements among single households into short-term expensive crisis accommodation including Bed and Breakfasts through improved case management.



**Centre for
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