

Communities Scrutiny Report - Homelessness, temporary housing options and initiatives

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1. Executive Summary

We are currently developing an Outline Business Case which is appraising in detail several models designed to deliver more cost effective and high-quality emergency homelessness accommodation. These models in respect of homelessness accommodation are discussed in this paper.

Bristol City Council’s (BCC) arrangements in respect of emergency homelessness accommodation are designed to work where the supply of emergency accommodation exceeds demand fuelled by homelessness, engendering competition between providers. Because the current emergency framework provisions are fully utilised there is no incentivisation to lower rents, equalling high charges across the portfolio. The frameworks in current use attract a very low level of central government housing benefit subsidy which is applying significant pressures to local budgets – BCC is essentially bridging the gap between the amount the accommodation costs to procure and the amount we’re able to recover via housing benefits. This paper discusses several options that may enable more cost-effective procurement of emergency accommodation services and better use of scarce financial resources.

This paper focuses on delivery of emergency accommodation services through Registered Providers (RPs), with a commissioned support service. This is the government’s preferred delivery model. It is worth noting that some LA’s have established arms length not for profit registered provider to offer the entire range of specialised housing services from homelessness thorough to complex Adult Social Care Supported Living,

2. Introduction

BCC has seen a significant increase in homelessness presentations since 2018, as illustrated in figure 1.

Figure 1: Homelessness presentations and placements by quarter

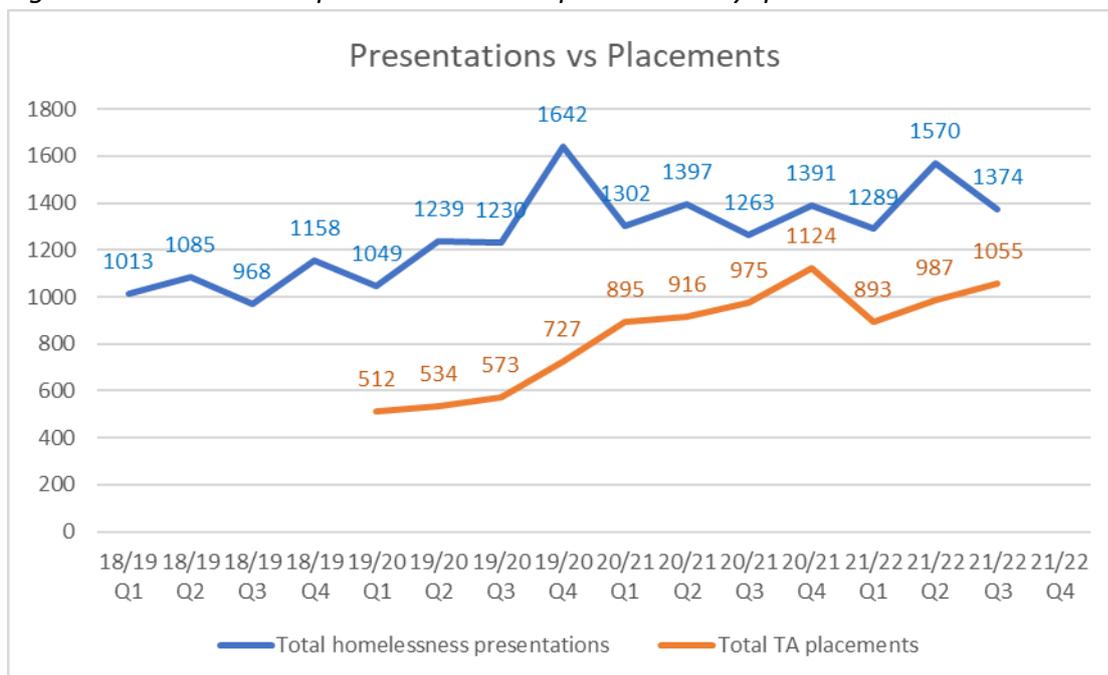
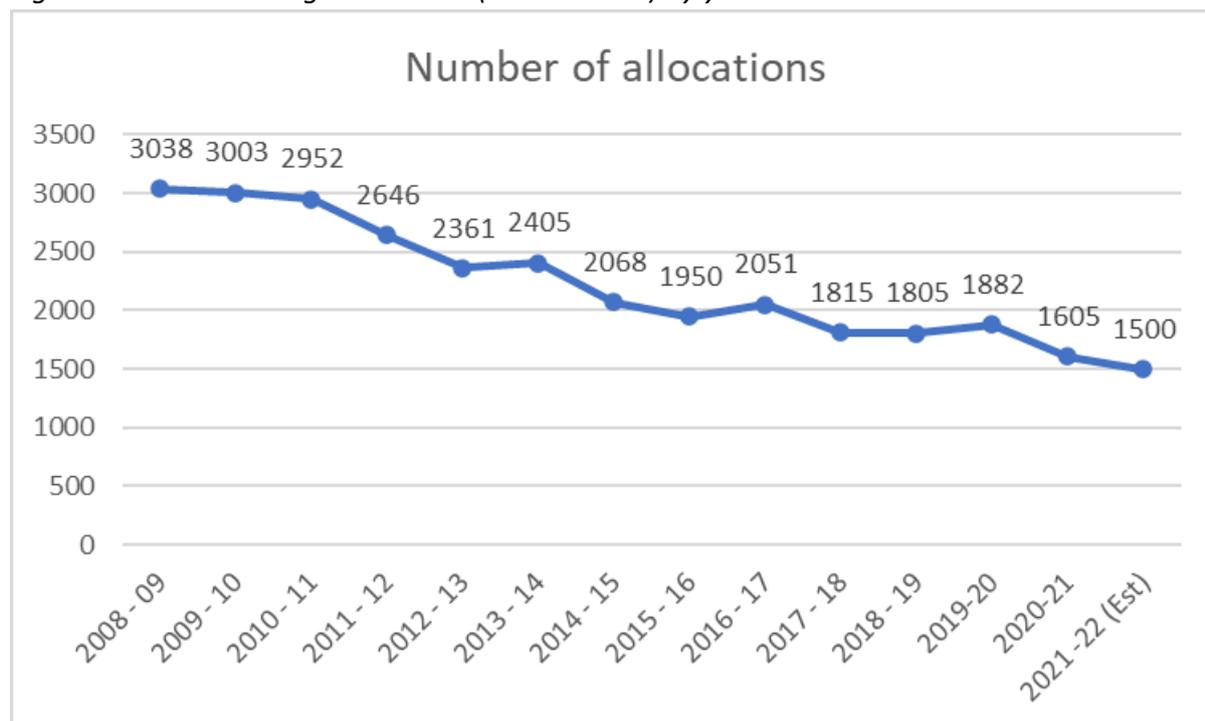


Figure 2 depicts the number of social housing allocations by year, which are the combined total of Local Authority and partner RP allocations. While the number of presentations has risen, the number of allocations via social housing has decreased.

Figure 2: Social Housing Allocations (BCC and RPs) by year



The significant increase in homelessness presentations seen by BCC since 2018 are driven by a variety of well known factors in Bristol including:

- A distinct lack of affordable housing. There are over 16,000 households bidding on Home Choice Bristol with more than 25% of these in Band 2, expecting not to make a successful bid within 2 years.
- The impact of welfare reform
- The growth of the private rented sector which is currently 30% of the city's housing stock (50% being owner occupied) and the high costs of this type of housing. In May 2021 only 2% of Private Rented Sector properties to let in Bristol were at rents at or below the Local Housing Allowance rate.
- The social and economic impact of the pandemic

3. Homelessness overview and background in Bristol

In June 2012 Bristol recorded 159 placements in Temporary Accommodation. This indicator was measured and reported quarterly to the MHCLG (DHLUC). This number had risen to 476 by June 2015 and was becoming a concern in terms of supply, cost, and quality. Of particular concern was the suitability for families being placed in hotel bed and breakfast accommodation. With this rise in the number of placements, Bristol homelessness prevention commissioners with legal services set out to develop a new collaborative framework with South Gloucestershire Council for the supply of interim temporary accommodation in the sub region.

On the 7th July 2015 BCC’s [Cabinet approved](#) the procurement of a framework for the provision of emergency accommodation for homeless citizens. The purpose of the procurement was to reduce cost, standardise procurement and increase standards. The Framework took over Temporary Accommodation (TA) delivery from the 22nd February 2016 and had a value of £80m for an 8-year period to 2024. This is the gross expenditure on TA and does not include income received through housing benefit and charges to clients.

The impact of Covid-19 in early 2020 created significant and unplanned new demands on the supply of Interim/TA in Bristol. This has included a significant increase in the number of single shared placements into TA following the [Everybody in](#) initiative. Providers and suppliers to the framework have stepped up during the pandemic and delivered more than 500 additional units of interim self-contained and shared accommodation, at a cost, through increased spot supply and new block contract call-off initiatives.

On 28th March 2022 the number of interim TA placements in the city had reached a new watermark of 1153, with all the associated costs, as illustrated in Figure 3. This is in comparison to 727 TA placements on 31st March 2020, just prior to the Covid-19 pandemic, these figures clearly setting out the direct impact of the pandemic. Most of these placements to the framework were for Homelessness Duty, a minority being used for those with no recourse to public funds and some for vulnerable families with a social care duty.

In February 2024 the Emergency Accommodation Framework ends and a policy decision will be required ahead of this deadline to determine options for redesign, renewal, extension, or closure.

Figure 3: Numbers of clients in TA 2012 – 2022



Source DHLUC-H-CLIC quarterly returns

Figure 4 below shows the number of main homelessness duties discharged and moved-on from TA to an offer of social housing. This number has been in continual decline since 2018. This trend reflects the shortage in supply and availability of affordable housing and housing for social rent. Appendix 3 shows the distribution of TA services in the Bristol region.

Figure 4: number of homeless duties discharged per quarter



Source H-CLIC

4. Temporary Accommodation Financials – Spend, Income Collection and Subsidy Loss

The figures below are a forecast based on P10 data, so are likely to be broadly representative of the final closed accounts.

Temporary Accommodation Total Cost	£13 million
Income from housing benefit	£11.4 million
Income from rent and service charges (non-HB)	£0.73 million
Subsidy Loss	£6.9 million
Net expenditure on TA	£7.77 million

Subsidy losses (see appendix 1) are the difference between the housing benefit eligible rental cost of accommodation, and the amount refunded to Bristol by central government. Subsidy issues are discussed later in this paper, and it is these losses that we are seeking to address.

While HB pays the rental costs, BCC has to meet the difference between this unrestricted HB payment, and the government’s subsidy payment, which is forecast to be £6.9 million.

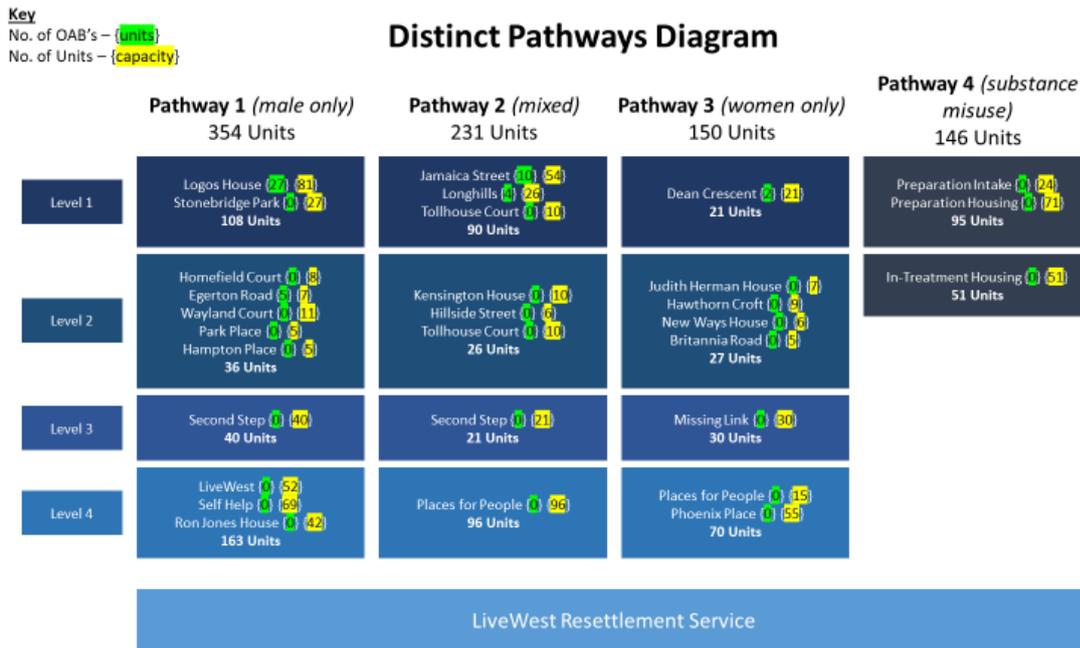
BCC is issued with an annual homelessness prevention grant of £2.91 million – for the prevention of homelessness, and this grant money meets some of the subsidy loss shortfall.

5. Households in commissioned homelessness 'pathways'

BCC commissions supported accommodation for adults aged 22+, young people 16 -21, families and vulnerable parents.

We explain below how supported accommodation for adults 22+ works to illustrate this type of provision.

Figure 5: Commissioned Homeless Pathways Diagram



Since October 2017, the Preventing Homelessness Accommodation Pathways have been supporting adults aged 22+ with a range of needs related to homelessness, substance use, mental health, domestic abuse, debt and financial strain.

The Pathways contracts are delivered by four lead agencies who deliver their own supported housing services at the same time as sub-contracting a range of providers to deliver services. Support is delivered across four levels, as well as designated Outreach Access Beds for St Mungo's Outreach Team to directly refer people coming off the streets into accommodation, Psychiatric Hospital Discharge, Mother & Baby, and a range of substance misuse preparation and in-treatment housing.

The accommodation provided in the pathways comes from a range of RPs such as Sovereign, Brighter Places, Guinness, and LiveWest. The types of accommodation available in the Pathways vary across the different levels and services. Level 1 consists of medium to large size hostels, Level 2 consists of small hostels or large shared houses, Level 3 consists of dispersed shared houses, and Level 4 consists of medium size hostels, self-contained and shared dispersed accommodation. The Pathways consist of 870 units of accommodation and support 1,500 clients per year on average. Upon leaving the Pathways and moving into longer-term permanent housing options, people are referred to a Resettlement Service that supports them with settling in and making a smooth transition into independent living.

Supported housing in the pathways provided by an RP receives full housing benefit subsidy. Removal of the support service would result in all these units being reclassified as non-supported TA, illustrating how the support service and landlord type is crucial to the subsidy arrangements with central government.

We have encouraged RPs to express an interest in providing additional supported housing through example our Family Supported accommodation framework. There has been a limited interest by the sector in providing further homelessness services. The underlying reasons for this are being explored by ongoing conversations with RPs.

6. Households in TA – non-supported

Non-supported, Interim Temporary Accommodation is accommodation that is supplied to the Emergency Accommodation Framework and offered to homelessness applicants where a statutory prevention or relief duty is being assessed. This accommodation was formerly known as bed and breakfast accommodation.

Each property is inspected for Suitability as determined by the West of England Property Standard and the HHSRS ([Health and Housing Safety Rating System](#)).

Where additional support is provided to this accommodation it is commissioned separately. We commission some shared singles TA properties where additional support has been commissioned and provided is by St Mungo's Outreach, known as the support cluster.

TA is provided non-supported, due to the additional costs incurred providing a support service. However, recent fieldwork undertaken evidenced that clients placed in homeless accommodation would benefit from a support service and providing a complementary support service to newly homeless clients will deliver better services and outcomes for service users. Providing emergency accommodation with support is key to several framework options discussed later in this report.

There are two sets of prices to the framework:

1) Spot prices

The price paid for interim temporary accommodation is determined by a pricing matrix. When a supplier submits a bid to be on the framework, they must submit a fixed spot price on a matrix. If the bid is successful and a contract is awarded, then this spot price becomes their nightly rate. This is paid only when the property is occupied.

2) Block prices

This is paid for a set contractual period e.g., 12 months and will be a lower rate than the spot rate but is paid whether the property is occupied or not.

The price paid to suppliers of interim TA accommodation to the framework is offset by Housing Benefit (where possible). However, DWP rules determine that where a provider of

non-supported TA is not an RP there will be a shortfall. This shortfall is the liability of Housing Options and is known as the subsidy loss. Minimising subsidy loss through good contract management can mitigate some budgetary pressures.

1. Spot purchase – rationale behind model and why it is not working

The spot price structure incentivises competition, as if a provider is the most expensive on the framework, their properties will sit empty, and they will lose money. For some time, all of BCC's TA providers' properties have been full, and consequently the price competition between providers is ineffectual – there is no incentive to lower charges where there is effectively no competition.

2. Block purchase – new contracts

Those suppliers to the emergency accommodation framework who opted to supply block purchase accommodation in their original bid are also able to bid for block purchase contracts when offered.

A block contract can be called off the framework at any time. An invitation to bidders will be very specific on type and price of accommodation required. The advantage of a block contract is that Housing Options can be very specific in terms of budget and price e.g., the supply of shared singles accommodation in a central geographical cluster at a fixed price for 12 months.

A strategy to switch from high-cost spot contract and develop lower cost block contract has yielded considerable cost reductions in the provision of TA from the framework.

The fourth block contract will be called off the framework in spring-summer 2022. A needs analysis will be completed to inform how much block purchased accommodation providers will be asked to offer. As the first block contract ends in September 2022, we will aim to move those properties onto the new contract. The demand for emergency accommodation is still high and continues to increase, therefore we expect to be asking for additional block units for both families and single people in the new call off. We are engaging with the market to attract new providers onto the framework and will be asking again for existing providers to transfer their high-cost spot purchased stock onto lower cost block contracts.

As part of the budget setting for 22/23 we have an agreed saving target of £725k on TA spend to be delivered through block contract procurement.

Other short-medium term options

We are looking beyond the city boundaries and sub region for supply of lower priced Temporary Accommodation. Through market engagement and discussion with our RP

partners, who are all members of the framework, to offer more lower priced TA accommodation to the framework – in the spirit of [Homes for Cathy](#)

7. Universal Credit vs Housing Benefit; Temporary Accommodation vs Exempt Accommodation, and the importance of RPs

Claims for help with housing costs have migrated to Universal Credit (UC) which is administered by the DWP. UC is intended to be very simple to administer, it is highly centralised, with claims for housing costs paid after a six-week waiting period. UC is not an appropriate vehicle for more complex homelessness claims, supported accommodation or other specialised housing services – these require local knowledge, technical expertise and prompt payment by dedicated assessment teams. For these and other reasons, the government decided to exclude specialist cases from UC, and retain their administration in Housing Benefit (HB). When commissioning any alternative arrangements for our current TA, it is crucial that the cases meet the required criteria to be retained in HB.

Temporary Accommodation is a statutory service, and cases that meet its specific definition are retained in HB. LAs must have a framework available to ensure that housing is available in the case of an emergency homelessness need. This is intended to be short term emergency accommodation while suitable alternative accommodation is procured. The legislative definition allows LAs to easily procure TA from any source to enable discharge of homeless duty. TA by definition is not supported, and accommodation funded by HB that meets the definition for TA is subject to a punitive subsidy regime.

Exempt Accommodation is accommodation provided by a RP, where the occupant is provided with a support service. Exempt¹ Accommodation is separately defined to Temporary Accommodation, and the Temporary Accommodation definition explicitly states that a housing costs case is **not** TA if it is 'exempt accommodation'. 'Exempt accommodation' is also retained in HB as it is a subset of 'specified accommodation', which is a designation developed to define cases other than TA that are retained in HB for housing costs and is subject to significantly more favourable subsidy rules than TA. In fact, 'exempt accommodation' provided by an RP is fully subsidised by central government.

RPs are the government's preferred landlord type, and all specialised HB legislation is written to favour and encourage the provision of housing services through RP landlords. This is because government regulates RPs through the Regulator of Social Housing (RSH). Because of this regulation, RPs are primed to deliver any type of housing service at full government subsidy.

¹ There are other ways this definition can be met, but this definition is of most interest.

8. Overview of savings methodologies – reduce costs, raise subsidy or both

To mitigate the issues of budget pressures relating to TA subsidy loss, two key options are available, and a working solution is likely to involve a combination of these options.

a) Lower Rental Charges

BCC can commission options that deliver accommodation for lower rents than are charged by the profit-driven private sector. A key benefit of lowering rental charges is that the gap between the rent and subsidy is reduced, reducing the budget pressures that BCC is currently exposed to.

b) RP Provided ‘Exempt Accommodation’ for 100% Subsidy

As discussed above, delivering homelessness accommodation via RPs as supported accommodation is the ideal solution, although there are a number of difficulties faced in delivery of the units. RPs do not have units of accommodation lying empty, so RP provision relies on lease or purchase of existing properties, building new accommodation, or refurbishment/repurposing of existing buildings. However, if an RP chooses to deliver exempt accommodation in Bristol, the rent charges will be fully subsidised and not subject to the punitive TA subsidy regime.

9. Policy intention of Temporary Accommodation vs Exempt Accommodation

Through the government’s legislative devices and choice of preferred landlord being an RP, we can make a number of inferences as to the government’s policy intentions, which inform our development of new accommodation supply frameworks.

- TA is non-supported emergency accommodation and attracts a punitive subsidy regime.
- TA is **not** Exempt (supported) Accommodation.
- Exempt Accommodation is supported accommodation provided by an RP.
- Non-supported accommodation provided by an RP is TA and attracts a punitive subsidy regime.

RP Supported	100% subsidy	RP Not Supported	TA subsidy
TA Supported	TA subsidy	TA Not Supported	TA subsidy

From this assessment we can see that the government discourages LAs from providing non-supported TA and encourages LAs to provide supported accommodation via its preferred landlord type, the RP. The dichotomy is significant and makes clear that LAs are encouraged through subsidy arrangements to commission support in all homelessness services, through an RP landlord partner.

The benefits for commissioning EA via an RP, instead of non-supported TA are clear:

- Vulnerable newly homeless citizens would benefit from a support service.
- Support service is funded by homeless prevention grant – this grant is currently used to offset budget pressures.
- 100% subsidy is payable in respect of rent and service charges – the only cost to the LA is the commissioned support service.
- Lowers reliance on costly TA, potentially invigorating competition in the sector leading to lower rents.

As outlined, BCC’s homeless pathways are supported accommodation provided by mostly RPs. BCC commission the RP to provide accommodation, and support and 100% subsidy is received in respect of the rental costs via housing benefit. Were this commissioned support service to be removed, the pathways accommodation would revert from being exempt accommodation provided by an RP, and therefore fully subsidised, to being non-supported accommodation provided by an RP, and therefore TA and subject to the TA subsidy regime.

10. Recommissioning of RP TA to RP EA - worked example

The landlord type makes no difference to subsidy if support is not provided, and as shown above even the government’s preferred landlord type, the RP, is limited to the same punitive subsidy as a private landlord where no support is provided. This is the clearest possible indicator that government are incentivising LAs to provide supported accommodation via RPs.

Where TA is provided by an RP, and BCC loses subsidy, the option exists to re-commission the service as supported, rendering the accommodation exempt accommodation rather than TA, and therefore fully subsidised. TA rent costs are set to a pricing matrix which determines the rent according to household size and composition. In the following example and RP provides a 1-bed self-contained flat on a spot purchase agreement to a single adult for £34 per night:

Frequency	Charge	Maximum Subsidy	Subsidy Loss
Day	£34.00	£15.58	£18.42
Week	£238.00	£109.04	£128.96
Month	£1,034.17	£472.51	£561.66
Annual	£12,410.04	£5,670.12	£6,739.92

On a spot purchase arrangement in non-supported TA, BCC realises £6739 per annum in subsidy loss. In the following table, we illustrate how the inclusion of a support service which costs BCC £2,811 per annum reduces the subsidy loss from £6,739 to nil. The net saving to BCC is £3,928 per annum, while at the same time providing the client with a much-needed support service.

	Weekly Cost of Support Service	Daily Rent Charge	Weekly Rent Charge	HB Subsidy Payment	Weekly Subsidy Loss	Annual Cost of Support Service	Annual Subsidy Loss	Net Cost to BCC
RP non-supported	£0	£34	£238	£109.04	£128.96	£0.00	£6,739	£6,739
RP supported	£54	£34	£238	£238	£0.00	£2,811	£0.00	£2,811

Other rents may be higher, and larger savings available via direct commissioning of housing related support. There are limited options to realise large savings to TA in Bristol through such a conversion, due to the limited number of RPs providing TA, but the examples also serve to illustrate the greater benefits of commissioning supported exempt accommodation directly with partner RPs, rather than the private profit-making sector.

11. EA via RP, commissioned support

Homelessness accommodation provided by an RP with support is not TA, but instead 'exempt accommodation'. Where exempt accommodation is provided by an RP, central government pays Bristol 100% subsidy on housing benefit payments.

Where BCC commissions a support service via an RP which is delivering homelessness accommodation via the TSH exemption, this model is fully subsidised by central government.

This works because:

- RPs are the government's favoured landlord type – all housing benefit and welfare legislation is written to favour RPs.
- Homeless accommodation provided by an RP with support is not subject to TA subsidy.
- Government allows an exemption from the Rent Standard via Temporary Social Housing (TSH) (see Appendix 2) to provide homeless accommodation.

While commissioning the support service would come at a small cost, the overall cost, after taking subsidy losses into account, and the improved quality of homelessness services make this a clear 'spend to save' initiative. Combining these three factors delivers cost effective sustainable and high-quality homelessness services.

RPs can deliver TSH services by leasing properties on the open market, or via acquiring the freehold title, without public assistance. Many different types of property are potentially in-scope, as RPs can fund the cost of renovations or refurbishments to leased or acquired properties through the housing benefit eligible rent.

This gives RPs good opportunity to deliver much-needed units of homelessness accommodation through direct access to Bristol's existing built stock.

12. Local Supported Housing Association delivers TSH on a 'pure' non-profit basis

The models described above rely on working with local RPs to deliver non-supported or supported homelessness services. RPs are under no obligation to deliver services for BCC, and we are looking to deliver relatively complex and fluid services to meet fluctuating demands; these proposals are very different from the traditional general needs or social housing grant based social housing. We are also asking that RPs take on an element of risk, as while TSH is fully funded via housing benefit, there is a requirement for an initial capital outlay, which is recovered over years through a core rent element.

We are aware of two examples whereby LA's have established their own RP to drive down costs and secure accommodation that is exempt. These are West Norfolk and Torbay

Effectively commissioned, an RP(s) able to work at scale could provide high quality, on demand and fully subsidised specialised housing services. Through this framework BCC could, over time and subject to volume, be able to fully decommission its existing spot and block contract emergency accommodation frameworks.

13. Recommissioning TA through a local RPs (HB)

As discussed, RPs can provide homelessness accommodation outside of the Rent Standard where it meets the definition for Temporary Social Housing. As such it is theoretically possible for BCC to recommission its existing TA contracts by re-procuring them through a local RP as TSH and commissioning the RP to deliver support to the service users.

Currently, TA landlords provide a complete housing service under spot and block contracts. The rental amount charged covers their core costs, profit, and property delivery costs. These costs combined aggregate to an expensive rent, which in turn leads to high housing benefit subsidy loss. The option exists for a local RP to lease TA properties from TA landlords under TSH rules. The lease costs would put the TA landlords in the same position they are currently in financially, but without having to run and operate the properties. The RP would then become the landlord and develop its own rent and service charges built onto the head lease to owner.

Officers are currently exploring this option to assess viability within the context of a large unitary authority.

14. Investor delivers accommodation: HB or UC dependent on framework

We are exploring framework options where investors buy properties on the Council's behalf, providing the properties to BCC on the basis of a lease. A wide range of investment funds exist, many focusing on the Local Authority, or charitable sectors.

There are broadly three funding models that have potential with relation to homeless discharge and affordable move-on accommodation:

1) Homeless placement in 'Temporary Social Housing' supported accommodation provided by an RP via HB

An RP provides accommodation leased from investor to homeless clients (P7 duty), with a support service. Full cost recovery of reasonable lease costs and additional rent and service charges achievable through housing benefit.

2) Unsupported move-on accommodation provided by an RP via HB

An RP provides accommodation leased from investor without a support service, utilising the TSH exemption from the Rent Standard. This is 'pure' TA, and subject to subsidy loss, but we would expect the rent charged under this arrangement to be lower than the existing spot purchase framework, leading to lower subsidy loss and associated budget pressures.

3) Affordable and unsupported move-on accommodation via UC

Unsupported and affordable, the cases are classed as standard, general needs and retained in UC. An RP not benefiting from TSH exemption from the rent standard must set a Formula Rent, which is approx. £75 per week for a one bed flat. Additionally, an RP cannot charge the Local Housing Allowance (LHA) rate, as these regulations do not apply to RPs.

RPs are the correct delivery vehicle for meeting specialist housing need, but once a client enters affordable, non-supported accommodation, the legislation no longer classifies as specialist, and it can only be funded via Universal Credit (UC). The most per week that UC can pay is the applicable Local Housing Allowance rate, currently £160 per week. Utilising investment fund properties for affordable move on would require a landlord that can receive LHA rate payments via UC.

15. Delivery of accommodation through the Housing Revenue Account (HRA)

As an RP, BCC is a provider of social housing, and such housing is delivered via the LAs HRA to the Rent Standard, or Formula Rent. While BCC is an RP, it not a 'private' Registered Provider, so cannot take advantage of the TSH exemption from the Rent Standard. As such, properties that sit in the HRA are formula rent cases, in the case of Bristol a 1-bed flat being charged at approximately £75 per week. Due to the cost of acquiring properties, delivery through the HRA is challenging unless there are additional funds available to acquire.

Bristol has secured capital grant funding through the Rough Sleeping Accommodation Programme (RSAP) to deliver affordable homes through the Council's Housing Revenue Account (HRA). While these units are treated as Temporary Accommodation and are therefore subject to TA subsidy rules, the grant funding enables acquisition of and refurbishment of units at lower cost than through the

spot or block purchase procurement arrangements and there is no subsidy loss. BCC has recently submitted a bid for the 5th round of the RSAP, which includes £400k of match funding from Bristol’s HRA. This funding, through DLUHC and Homes England, will enable delivery of a number of new build HRA developments as well as refurbishment of existing council assets.

16. Glossary

Affordable Accommodation	Any accommodation deemed affordable to a service user. Affordable accommodation should be funded by UC as general needs.
Commissioned Services	BCC procures services usually involving the purchase of support to complement a housing offer. Most of our commissioned homelessness services are provided directly through partner RPs
Housing Benefit (HB)	Welfare benefit retained for specialist housing provision and administered by LAs. Strict conditions to access require accommodation to be supported (specified) or temporary emergency accommodation.
Local Housing Allowance	are rates used by the Department for Work and Pensions to determine the level of housing related benefits that low-income tenants are entitled to. LHA rates relate to an area in which a claim is made, and they are based on private market rents being paid in the area - these areas are called Broad Rental Market Areas (BRMA). Bristol LHA rates can be found at Local Housing Allowance - bristol.gov.uk .
Part 7 duty	Legal duty on LAs to provide emergency accommodation
Pathway	BCC has four distinct adult homelessness pathways, which is the traditional 'staircase' model of homelessness accommodation starting with high support and stepping down to low support through a series of levels. BCC has male only, female only, mixed gender and drug and alcohol pathways.
Registered Provider (RP)	Non-profit provider of social housing regulated by the Regulator of Social Housing (RSH).
Regulator of Social Housing	Government regulator of RPs. Ensures compliance with governance, financial viability and consumer standards
Social Rent	low cost rented housing that is made available at rent levels set in accordance with the Regulator of Social Housing’s [Rent Standard] (https://www.gov.uk/government/publications/rent-standard) (including Rent Standard Guidance).

Specified Accommodation	A set of four definitions setting out cases that are retained in HB. Key is Specified Exempt accommodation, which is supported accommodation provided by an RP, or not for profit organisation
Subsidy	Central government funding of HB payments made by LAs. Target is 100% subsidy payment rendering accommodation services cost neutral. Temporary Accommodation which is provided without support is subject to a punitive subsidy regime.
Supported Accommodation	Accommodation provided with support. In this context this will usually be Specified Exempt Accommodation
Temporary Accommodation	Defined as accommodation provided without support to discharge homelessness duty or to prevent homelessness
Temporary Social Housing (TSH)	An exemption from the Rent Standard (Formula Rent) for RPs enabling higher rents to be charged in prescribed circumstances
The Rent Standard	Standards for RPs to follow enforced by the RSH. Details formula rent and exemptions such as TSH
Universal Credit (UC)	Main stream benefit for living and housing costs administered by the DWP. LHA paid to private landlords, formula rent paid to LAs and RPs in respect of general needs accommodation.
Unsupported Accommodation	Accommodation provided without a support service

Appendix 1 Temporary Accommodation Subsidy

Housing benefit payments are made to claimants by BCC on behalf of the Department for Work and Pensions (DWP). Except for certain areas, subsidy is paid in respect of housing benefit by central government at the rate of 100%. This means that in most cases, BCC receives £1 back for every £1 paid out by way of HB. The government use subsidy as a tool to manage local authority performance by paying full subsidy where claims are well administered, but implementing penalties, or partial subsidy, where error is made or an agreed rent is higher than is considered reasonable.

As well as being able to influence how BCC manages its housing benefit cases, it can also influence how BCC delivers its own specialised housing services, where these services are funded by housing benefit, through the subsidy regime.

When we speak of 'subsidy loss' in the context of emergency/temporary accommodation, the loss itself is driven by the subsidy arrangements in housing benefit. Specifically for Temporary Emergency Accommodation the government only pays BCC back pre-set amounts, regardless of the amount of rent being charged to the homeless client.

The subsidy rules for TA are complex. Very broadly, the government 'refund' BCC 90%, or 100% of the January 2011 Local Housing Allowance (LHA) rate in respect of non-supported TA, the applicable LHA rate being determined by property size while the claimants' rent is determined by the size of the household. The gap between the claimant's rent and the government subsidy is referred to as subsidy loss.

This subsidy regime only applies to non-supported TA. Where 'TA' is provided by an RP with a commissioned support service, there is no subsidy loss as the government refunds us 100% of the housing benefit expended.

Subsidy losses incurred between the claimants' eligible rents and government subsidy is offset using the Homelessness Prevention Grant, and local budgets. In a recommissioned framework where low support accommodation is delivered by RPs, the Homelessness Prevention Grant could be spent on the provision of the low support service, rather than offsetting subsidy losses.

Appendix 2 Temporary Social Housing options and the Rent Standard

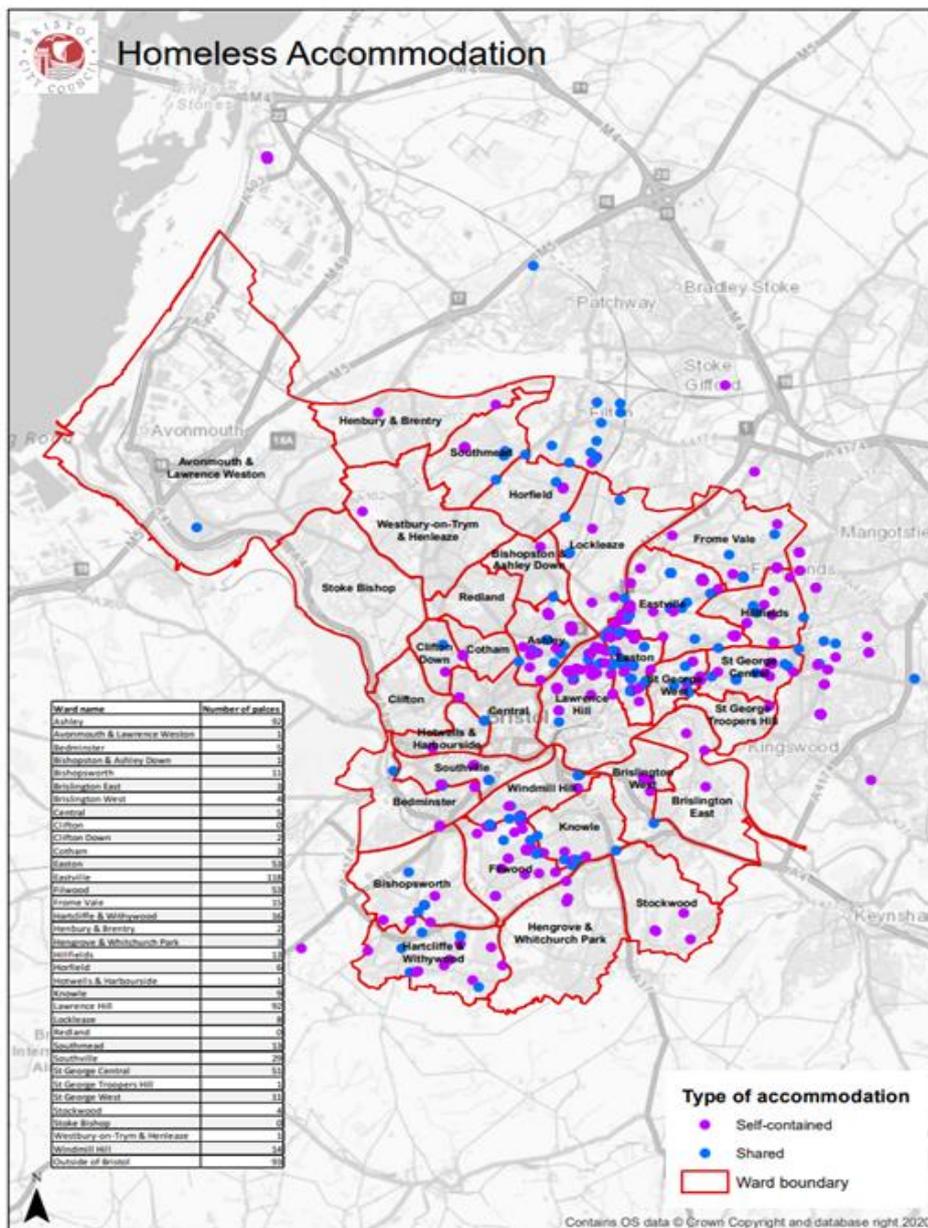
The Rent Standard sets out how RPs set their rents. Most rents are set to a rent 'formula' which is a formula which takes into account property size, local earnings and local property values. This ensures that rents are fairly set nationally according to these set standards. The government recognise that this model will not suit all social housing requirements, so allow a number of 'exemptions' from the Rent Standard, or formula rent, and one of these is for 'Temporary Social Housing' (TSH). This is defined at [The Social Housing Rents \(Exceptions and Miscellaneous Provisions\) Regulations 2016, Regulation 2](#), but abridged:

This is low cost rental accommodation made available to a person who is homeless by an RP where the LA has nominated a person as a tenant on a temporary basis, and the LA owes a duty to that person under Part 7 of the 1996 act, and the RP holds the housing on a lease or licence

This exemption enables RPs to acquire properties for use as Temporary Social Housing for homeless clients via open market leasing arrangements. Any clients placed in non-supported Temporary Social Housing would be treated under TA subsidy rules, but the expectation is that rents would be lower than delivered through the profit-making private sector.

Appendix 3 Distribution of Homelessness Accommodation in Bristol (map)

Figure 6: Map of homelessness accommodation in Bristol October 2021



Homelessness accommodation is predominantly located in central, east and south sections of Bristol, with the overall highest concentration of services being located in Ashley, Eastville and Easton wards. Very little temporary and supported accommodation is in the west, north and south-east of the city.