

Audit Committee

29/01/2024



Report of: Exec Director Growth and Regeneration

Title: Temporary Accommodation Programme

Ward: Citywide

Officer Presenting Report: John Smith, Exec Director Growth and Regeneration

Recommendation

That the Audit Committee note progress made on the Temporary Accommodation Programme

Summary

This report seeks to provide the Audit Committee with a high-level update on the Temporary Accommodation Programme.

The significant issues in the report are:

Governance arrangements on the Temporary Accommodation Programme
Progress to date on the Temporary Accommodation Programme
Issue of rising demand for TA and increase to number of placements
Plans to bring on additional work streams to try to increase supply of accommodation

1. Policy

1.1 The programme is aligned to the following Corporate Priorities:

- Development and Delivery Principle: specifically, ED05 Good Governance
- HC2 - Low or zero carbon homes: new builds and refurbishments will increase the number of low carbon homes.
- HC3 - Homelessness: Cost effective Temporary Accommodation for people who are homeless will increase.

2. Consultation

2.1 Internal

Not applicable

2.2 External

Not applicable

3. Context

3.1 Programme Overview:

3.2 Our project goal is to reduce the Housing Benefit subsidy loss which is the main cost to the council from Temporary Accommodation, by providing more Council-owned TA, and increasing the amount of supported exempt accommodation available.

3.3 Our key outcomes are:

- Cashable savings of £2.94m, of which £2.1m is committed for delivery in 23/24
- A more stable portfolio of TA, so that costs can be more easily controlled
- More supported housing.
- Medium term plan to significantly reduce subsidy loss for TA

3.4 This project will benefit the city in the following ways:

a). Reduction in subsidy loss will enable a balanced budget, contributing to the financial sustainability of the council

b). An increase in supported housing from Registered Providers will mean that more people are placed in accommodation that meets their support needs

c). More suitable temporary and emergency accommodation for those who need it, with less reliance on the use of hotels

3.5 The Temporary Accommodation Programme is made up of the following workstreams:

- Allocation of some general needs housing for use as Temporary Accommodation – this is only a temporary fix to help us balance budgets in the short term and will be reversed as other work streams deliver more housing supply
- Increased use of supported exempt accommodation
- Delivery of new build homes, conversions from the council’s disposal list, and accelerated new builds on small sites.
- Conversion of properties leased from the hospital trust
- Increasing direct lettings with private landlords at a cheaper rate than our Emergency Accommodation costs

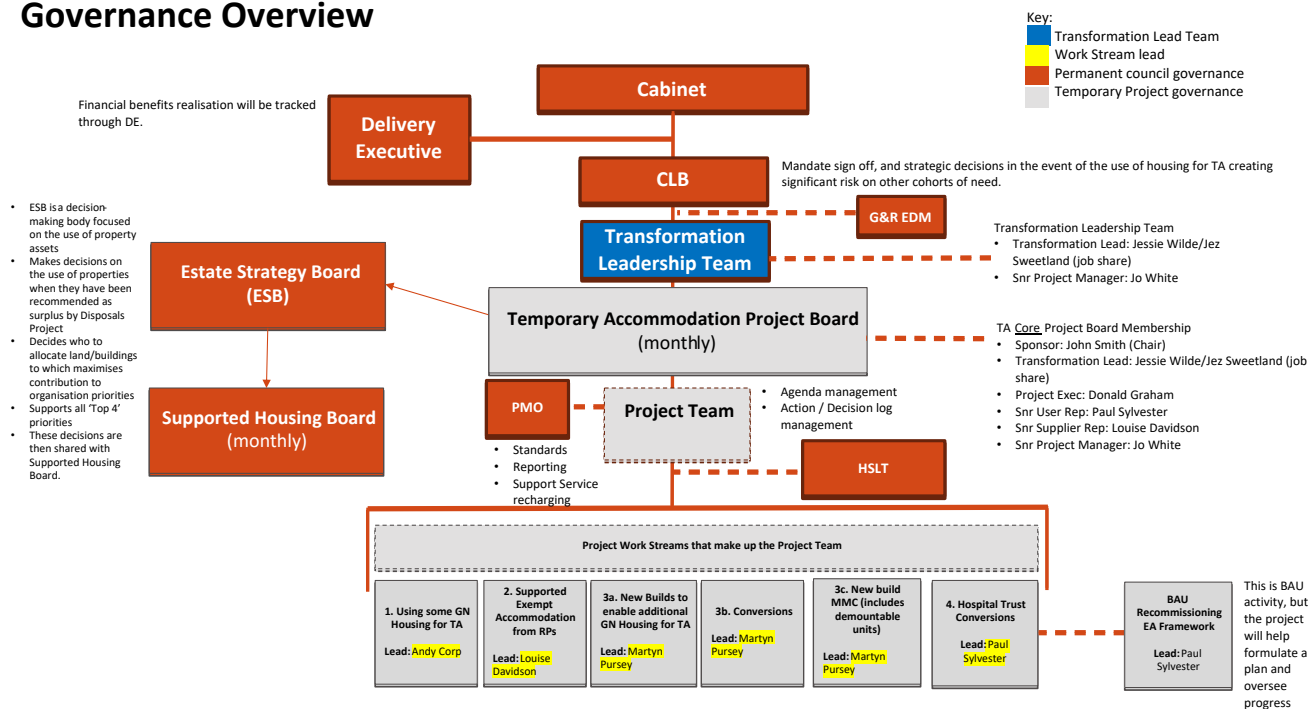
3.6 Emergency Accommodation Framework

3.7 In addition to the above work streams which make up the TA Programme the council has recommissioned its Emergency Accommodation Framework, as it will expire in February 2024. This framework is where we secure properties on a spot and block basis with private providers of emergency TA. This is our most expensive type of TA. The above work streams should mean that we use less of this type of TA, but we do need to use some, and the newly commissioned framework helps us to limit and forecast increases in pricing.

3.8 Project financials:

3.9 The project needs to deliver cashable savings of £2.1m in 23/24 and £821,000 in 24/25. The service has been carrying an ongoing budget pressure of £5m, so to reduce this we will need to aim for a higher target in terms of cost avoidance, to enable us to deliver our committed cashable savings in 23/24.

Governance Overview



3.10 The programme has a monthly board for decision making. It reports up to CLB monthly to share updates and to seek corporate decisions where necessary (for example, if a decision would affect other parts of the council or other programmes/projects). Any decisions around the use of council-owned assets are taken to the Estates Strategy Board (ESB). Savings are monitored at Delivery Executive.

3.11 Progress to date:

- Two procurement frameworks are now live, to enable more supported accommodation provision from Registered Providers.
- The refurbishment of 24 flats leased from the Hospital Trust for use as TA is in progress, with 12 now occupied.
- Increased number of direct lettings with private landlords for use as TA.
- 8 homes for homelessness reduction opened on Derby Street in October 2023.
- The programme is on track to deliver the total savings it set out to, over its initial 2-year period. However, demand is increasing at a higher rate than anticipated, so the programme will need to make increased savings in order to balance the subsidy loss budget.

3.12 Next Steps:

3.13 The programme is now looking at options to bring in additional work streams to increase housing supply quicker, to fulfil increasing demand. These plans are being worked through and considered in the context of the other top 4 programmes and wider council priorities.

4. Proposal

4.1 That the Audit Committee note progress made on the Temporary Accommodation Programme

5. Other Options Considered

5.1 N/A

6. Risk Assessment

6.1 When the programme was launched in January 2023, the TA as-is situation was unsustainable, so doing nothing was not an option, and our work streams reflect a range of options being pursued in parallel to try to increase the supply of housing and reduce the spend on TA subsidy loss. The consequences of not continuing with the programme would be that TA would continue to overspend and be unable to balance the subsidy loss budget, having a detrimental impact on the overall council budget.

Risk/Issue Description	How risk/issue is being mitigated and monitored
The national demand for Temporary Accommodation (TA) has increased significantly, and continues to increase. The current demand is increasing at such a rate that there is a risk of subsidy loss increasing further, despite savings delivered.	We monitor the subsidy loss monthly and adjust our forecasting accordingly. We are aiming to mitigate the increase in subsidy loss by bringing on additional work streams to increase housing supply. There is also a peer review into homelessness prevention taking place.
On top of a general increase in demand, there is a specific additional increase due to government decisions to issue notice to refugees who were being accommodated in hotels locally	We had already forecast an increase in demand related to this known issue, but it has increased further. Mitigations and monitoring are as above.
Due to a lack of affordable housing, much of temporary accommodation is secured via expensive spot purchased accommodation from the private rental sector.	The newly commissioned EA Framework seeks to mitigate this issue by bringing a cap to prices, as well as inflationary uplifts that we will apply (rather than providers raising their prices). The project work streams are providing alternative accommodation that should be cheaper and result in less subsidy loss.
The annual TA subsidy loss for 2023/24 is estimated to total around c.£13m, generating an	Mitigations and moderation is as above. All risks and issues are monitored at the monthly TA Board and CLB

ongoing budget pressure of at least £5m, with a risk that demand will increase.	as necessary.
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7. Summary of Equalities Impact of the Proposed Decision

7.1 The EqIA for the TA Programme is here

<https://democracy.bristol.gov.uk/documents/s84394/EQIA%20-%20Temporary%20Accommodation%20and%20recommissioning%20Emergency%20Accommodation%2001.pdf>

8. Legal and Resource Implications

8.1 Legal

The Temporary Accommodation Programme was approved by Cabinet in June 2023. There are no specific legal implications arising from this report which provides the Committee with an update on the progress of the Programme.

The committee will note the Equalities impact assessment.

(Legal advice provided by Husinara Jones, Team Manager/Solicitor 19 January 2024)

8.2 Financial

(a) Revenue

The Temporary Accommodation Programme was set up to reduce the revenue pressures on the Council created by Housing Benefit subsidy loss. The current target is £2.1m in savings in 2023/24 and £821,000 in 2024/25 which underpins the Council's Medium Term Financial Plan. However, given the increase in Temporary Accommodation pressures this target will be increased in future years.

(b) Capital

The Temporary Accommodation Programme has £4.1m per annum for three years from 2025-26 in capital funding from the use of capital receipts. This funding is used to create new Temporary Accommodation through existing properties and working with partners to source and commission available properties more cost effectively.

(Financial advice provided by Ben Hegarty, Finance Business Partner Growth and Regeneration)

8.3 Land

Not applicable

8.4 Personnel

Not applicable

9. Appendices:

None

10. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

10.1 Background Papers:

10.2 Cabinet paper:

<https://democracy.bristol.gov.uk/documents/s84393/Final%20TA%20Report%20for%20Top%204%20June%20Cabinet%20005%20KS%20BM%20SP%20B.pdf>