



Tackling Temporary Accommodation

What could an incoming Labour Government do about the cost and condition of temporary accommodation in England?

Introduction

Every part of the housing system is in crisis. One of the consequences of this is that temporary accommodation is being used to house more people than ever. Temporary accommodation is never a home and is often low quality, unsafe and expensive.

Since Labour Housing Group (LHG) began this piece of work, what was a terrible situation has become steadily worse. The very viability of Local Authorities across the country is under serious threat, due in a large part to the cost of temporary accommodation and too many people have their lives on hold while they wait for a home to call their own.

Within this paper LHG has been looking for policy and practice initiatives that will enable an incoming Labour Government to:

- *Decrease the use of temporary accommodation (TA)*
- *Reduce the cost of TA, partly through reducing the reliance upon TA in the private sector.*
- *Improve the standard of TA, regardless of the agency that funds or provides it.*

There are currently around 123,000 families living in TA. Some have been there for years. The impacts upon physical and mental health, education, and employment prospects, are massive. Homelessness does not simply affect the most vulnerable and excluded but is now an experience that affects a much wider group of people. In addition, the effects of structural racism are apparent in the ethnic composition of homeless families.

The reasons for the rise in temporary accommodation are well documented:

- *Shortage of social housing, intensified by the right-to-buy in areas of high housing stress.*
- *Vulnerability to short notice, no-fault evictions in the private rented sector.*
- *Failure of the Local Housing Allowance to keep up with rising rents. compounded by other changes to the benefit system.*
- *Breakdown of support services for people with additional needs.*
- *Underfunding of homelessness prevention services.*
- *Domestic abuse.*
- *Mortgage default consequent on rapidly rising mortgage rates.*

The True Cost of Temporary Accommodation

Before we begin, it is also important to emphasise the true scale of the problem in temporary accommodation. Recent [figures released by DLUHC](#) show that from Apr 2022- Mar 2023 **£1.74 billion** was spent on temporary accommodation, up 9% on the previous year.

As high as this number may be, by all suggestions it is an *under-estimate*. R04 Returns for 2021/2022 showed that 163 local authorities reported no expenditure on temporary accommodation administration, suggesting that this expenditure was likely included within other administration figures. Furthermore, only 79 local authorities reported any expenditure at all on Local Authority or Housing Authority stock used as temporary accommodation- despite evidence in H-Clic returns that 277 local authorities use this type of TA. Numerous councils are already [stretched financially](#), and the rising costs of TA looks set to plunge councils across the country into bankruptcy.

Finally, temporary accommodation has a huge economic and social impact to an extent at which we can only guess. Impacts on physical and mental health, decreased economic activity, worsening education, and rising judicial costs, mean that opportunity costs arising from temporary accommodation will be extensive.

Solving this crisis will not be easy and will require any future Labour Government to take a long term 'invest to save' approach. In recognition of macroeconomic financial realities, this paper offers suggestions for where investment can best be directed to tackle this problem.

We group our recommendations into three sections:

- A. Enabling actions'**
- B. 'Low cost high-impact' policies**
- C. 'Long term, high-impact' policies.**

The recommendations that follow are informed by the valuable input of our working group and various meetings with experts and academics in the homelessness sector (see Appendix 1).

A. Enabling Actions

To lay the groundwork for any significant action on homelessness, we suggest the following four measures are essential for any future Labour Government:

A.1 Creation of a National Homelessness Strategy, overseen by a newly appointed Homelessness Tsar.

The UK is one of the few countries in Europe without a homelessness strategy. We urgently need a cross-government strategy to coordinate across Government departments, shifting government policy from crisis management to homeless prevention and addressing with urgency the situation of temporary accommodation.

We suggest appointing a Homelessness Tsar to oversee and direct the national, cross cutting homelessness strategy. We saw the successful impact of the Homelessness Tsar under the last Labour Government, and it is necessary to reintroduce this role and ensure it has cross-departmental influence.

When enacting this strategy, we urge that care is taken to look at any possible risk of unintended consequences, notably around setting targets. For example: “we will halve the number of children in TA by 2030” could lead to an increase in gatekeeping rather than a reduction in the actual number of children needing TA.

Social housing tenants have recourse to the Social Housing Regulator, Building Safety Regulator and Housing Ombudsman. It is those threatened with homelessness and in TA who most need support to enforce their rights and to present their needs to officialdom.

A.2 Ensure all homelessness strategies are informed by lived experience.

Any homelessness prevention strategy must consider the diverse lived experience of those working within the sector or experiencing homelessness. People experiencing homelessness are likely to be excluded from the decision making that affects them, yet the knowledge of those with ‘lived experience’ could inform and improve policy and practice in many ways.

Enabling people to be seen and heard must be an underpinning feature of Labour’s strategy on homelessness. To make this central to policy-making at the local level, we recommend that it should be a requirement of all local authorities to establish feedback and engagement mechanisms with individuals and groups who have experienced homelessness, including those who live in or have lived in different forms of TA. Central Government must develop an equivalent mechanism to inform and improve its policy-making.

A.3 Improve data collection and use.

The collection of relevant and much needed data on homelessness and temporary accommodation in England requires improvement. Currently, twenty authorities provide no/incomplete figures on households in temporary accommodation, whilst those that do tend to report on households inconsistently. Similarly, data on statutory homelessness is only recorded for people who have approached their LA for help, so those living in temporary accommodation provided by a body other than a local housing authority are not included in the statistics. Furthermore, there is no data collection on the duration of stays in temporary accommodation.

Improving data collection is vital for us to develop:

1. Better understanding of level of need and scale of the problem
2. Improved understanding of the use and effectiveness of interventions, leading to wiser public spending
3. More effective service design and delivery

Furthermore, TA placement statistics (pro rata to overall household populations) are a useful way of gauging demand relative to housing supply in a given area to enable better planning and resource allocation.

We have four recommendations to improve the use of data to tackle temporary accommodation. These are:

1. **Unique Identifying Number:** In Scotland, a requirement of the system is that all applications made under homelessness legislation generate a unique identifying reference to enable effective monitoring of repeat homelessness. This enables statistics to be published on the number of homeless households, as opposed to applications made. We recommend that this approach is adopted in England and Wales.
2. **Require local authorities to collect and publish data on length of stay in TA:** In Scotland HL1, HL2, & HL3 returns collect data on households experiencing homelessness and are able to track and report on the type, number of placements, and duration of temporary accommodation. Such data collection should be used in England too. The current system in England of H-Clic does not record the duration of a stay - this is necessary information.
3. **Link data:** In Scotland, the US, and Denmark, an integrated health and social care platform enables assessment of the impact of homelessness on health services and improved understanding of social, environmental, and behavioural drivers of homelessness, and the effectiveness of interventions. This FEANTSA recommended approach should be replicated in England and Wales.

4. **Collect data on households not placed by local authorities.** Currently, most of those placed by bodies other than local authorities, or people who find their own TA, are not counted in official statistics. The actual Housing Benefit cost is therefore also under-counted for this reason too.

A.4 Recognise the uneven impacts of homelessness & combat domestic abuse.

An understanding that the [causes and solutions to homelessness are diverse](#) and unequal is essential, and should inform all government strategies. This should include consideration of race, gender, age, and sexuality.

For instance, research by Herriot Watt University found “overwhelming statistical evidence” that homelessness disproportionately affects people of colour and in particular people from Black and Mixed ethnic backgrounds. Shelter found that 50% of heads of households in temporary accommodation identify as Black, Asian, Mixed race or another ethnicity while in England just 15% of people identify as being from a racial minority group.

Homelessness also impacts [women disproportionately](#), who make up [60% of adults in temporary accommodation](#). The causes and experiences of homelessness are also different for women, with abuse as a leading cause. There are substantial links between domestic abuse and homelessness with [many women experiencing homelessness as a result of a violent relationship breakdown](#). LHG has worked with Jess Phillips to make proposals to tackle the link between domestic abuse and homelessness.

We suggest that the government should enact the following policies to help victims of domestic abuse:

- Determine joint tenancies in favour of the victims of domestic abuse, thereby allowing them to stay in their homes.
- Understand that victims of domestic abuse may be traumatised and need special consideration when TA placements are being arranged.

B. Essential low cost, high impact policies to be implemented quickly.

B.1 Allocations

It is universally accepted that there is a massive shortage of [social housing](#). Given that this is the case, steps ought to be taken to ensure that what accommodation there is should be available to those who need it most.

This means working with housing associations and stock-holding local authorities to prioritise housing as many people in TA or at risk of homelessness as possible.

There are many reasons why a new government needs to ensure that we are making the best use of our existing stock. To do this, we need to understand the barriers faced by people in TA as well as the barriers faced by some housing authorities who want to do more to house people experiencing homelessness.

Several steps could be taken which would incur no great additional cost and would make a significant difference to the number of homeless households accessing social housing:

- Amend statutory guidance on allocations so that households who have spent a year in TA have an additional preference for an allocation of social housing.
- Amend the statutory Code of Guidance on Homelessness so that it is a requirement that households who have spent a year or more in TA are offered priority help to access suitable social or private rented (PRS) accommodation.
- Require local authorities to monitor the lettings made by Housing Associations to ensure that a minimum proportion is allocated to homeless households and remove the option for local authorities to set a cap on nominations for homeless households.
- Prevent Housing Associations from requiring rent in advance or cash deposits from households who have experienced homelessness.

Other expansions of the work between Councils and Housing Associations to help people with experience of homelessness to gain access into social housing could include:

- Flexible lettings - look at individual applicants' needs rather than grouping into bands
- Moving families on from refuges quickly

- Working with other agencies to identify individuals who require support, and ensure that these individuals are guided through the system, like with [Gateshead's Single Gateway Scheme](#).

B.2 Help access to the PRS

It is important that for those wishing to enter the PRS, barriers are removed that prevent the attainment and sustaining of a tenancy. To do this we suggest:

- Increasing the budget of, and expanding eligibility for, Discretionary Housing Payment. This could then fund a deposit, to ensure the tenant could access the PRS without savings.
- Expanding rent in advance and deposit schemes provided by local authorities and other organisations and requiring landlords & agents to accept offers of written guarantees (as are often provided by local authorities) in place of cash deposits.

Furthermore, it is key that households are not simply 'offloaded' into the PRS, and that support plans remain in place beyond the immediate attainment of a tenancy.

B.3 Making Prevention everyone's business.

An effective and well-funded prevention network is essential to keeping the costs of temporary accommodation down and reducing homelessness. Newcastle City Council have achieved successful results in their reduction of people sleeping rough and users of temporary accommodation by aiming to make prevention of homelessness *everyone's business*. This means ensuring care is person-centred and all public bodies cooperate. As a result of this approach, they have not used B&Bs to house families since 2006.

We propose replacing the 'Duty to Refer' with a stronger 'Duty to Co-operate,' to ensure that every local authority makes the prevention of homelessness 'everyone's business'. Hospitals, prisons, and care services must co-operate to ensure an end to institutional discharge into homelessness. The threat and reality of homelessness and living in TA undermines the mental and physical health, educational attainment, and employment of those affected. There is a strong association between homelessness and contact with the criminal justice system, with a 'revolving door' problem of homelessness, prison, and then return to homelessness. By enforcing a 'duty to co-

operate,' we can tackle these institutional failings, though it should be acknowledged that this will also require that local authorities have the capacity to deliver services alongside other partners.

Furthermore, and in line with NICE guidelines, it must be a requirement of local health and care systems to integrate mental health and substance use commissioning to improve outcomes for people with co-occurring conditions, with additional funding to enable multi-disciplinary services to meet needs of people at risk of, or experiencing, homelessness.

Leading on from this, there needs to be active and targeted prevention, with policy interventions for 'at risk' groups. Severe and multiple disadvantage, and the effects of this on health and wellbeing, often predates homelessness and the experience of homelessness then exacerbates and multiplies needs. This is where a joined-up approach matters (see Gill Leng's health and homelessness work for example - [APPENDIX 3](#)) and reinforces the need for every part of government to see homelessness and prevention as their business.

We also heard from Suzanne Fitzpatrick and Beth Watts, of Heriot-Watt University, that there is much positive policy and practice in the devolved nations that would make a massive difference in prevention efforts.

The Welsh government is [trialsing Upstream](#), an intervention originating in Geelong, Australia, which works in schools to identify children and families in precarious housing or with other risk factors. This is followed up with support and has been successful at reducing youth homelessness.

Furthermore, the Welsh and [Scottish Governments](#) are considering the welcome move of increasing the 56-day period of the current duty to 6 months to prevent homelessness. Councils are currently intervening when it is too late, and families can no longer be diverted from the homelessness route.

Finally, Councils need to be adequately funded to undertake this good quality and comprehensive homelessness prevention. This service must be expanded to 7 days a week, with standards set and an inspection regime to cover and promote best practice across the four nations.

C. Essential Long term, High Impact Policies

C.1 Build more social housing

We cannot solve the housing crisis without building social housing. Adequate, affordable, safe accommodation pays for itself, and makes a surplus. Over time it saves money for the NHS, social care, education, and other parts of the state. Building social housing also helps to 'grow' owner occupation. We suggest that 90,000 social homes should be built annually each year of a Labour Government.

Building new homes would also mean a significant long-term saving to the public purse, by reducing the amount spent on TA. A [study by CIH and CHI](#) in 2021 showed that a modest increase in output of social rented housing of 10,000 homes annually could largely be financed by direct savings in temporary accommodation costs and in Housing Benefit/Universal Credit that would otherwise be paid out for higher-cost private rented properties.

C.2 Invest to Save

Studies have repeatedly revealed that the cost to the public purse of dealing with homeless citizens is far greater than estimated prevention costs. A 2023 study into youth homelessness by [Centrepoin](#)t found that for every £1 invested by the government, £2.40 is saved, principally through increased economic activity and reduced judicial costs. Whilst the exact social and economic costs of being in temporary accommodation are hard to measure: from disruption to education, to increased travel, to negative effects on mental & physical health, it is clear that these costs are large.

We suggest that investment in homelessness prevention make long-term economic sense, and that there are two principal avenues where an increase in investment makes the most sense long term. These are:

1. **The Homelessness Prevention Grant Fund** - Support for families experiencing homelessness currently competes with other council priorities. Given, that these families are amongst the most excluded citizens of this country it is unsurprising that homelessness prevention and support is so underfunded, with the perverse outcome of high expenditure on TA. An incoming Labour Government needs to ensure adequate ring-fenced funding: first, by increasing Homelessness Prevention Grant funding and raising allocations at least in line with inflation; second, by launching a comprehensive, cross-departmental review of homelessness funding to develop a needs-based funding model that captures the homelessness pressures faced by councils.

- 2. Acquisitions and Procurement** - There is a compelling logic to switching the worst and most expensive TA into the public or not-for-profit sector, where it will be better managed, at a much lower cost. However, at present, cash-strapped councils will not welcome such ownership and legal responsibilities without the funding to bring the accommodation up to a good standard. One idea could be to provide expedited compulsory purchase powers and funding on a pilot basis to the areas with the most acute housing need. We should build on initiatives such as the Local Authority Housing Fund by providing increased capital investment for housing acquisitions for both permanent homes (through the HRA) and temporary accommodation (through the General Fund, which is frequently underspent).

Targets for acquisition should be those homes sold by private landlords as they exit the market. Homes England funding requires 90% is spent on new build and only allows 10% for acquisitions. Given that we need accommodation now, this rule should be relaxed to make it easier for local authorities to acquire existing accommodation. Though this will not be cheap, the £2 billion recently returned to HMT by DLUHC from money allocated for affordable homes, Help to Buy and other pots should be used for this purpose. Neither of these proposals – relaxing the HE rule and making use of the returned £2b – would add additional costs.

Increased TA procurement must also be accompanied by a better 'policing' system as there is competition for places and some poor practice.

C.3 Raise Incomes

Benefit reform is at the core of homelessness issues. Short term cuts and reform to benefits often have expensive policy repercussions down the line, and there must be a long-term review of the benefit system going forward. For now, we focus on reforming two recent benefit changes that will have a significant impact on homelessness: the Local Housing Allowance (LHA) & the Benefit Cap.

- 1. Local Housing Allowance** -There is a strong need to maintain the LHA to cover at least 30% of average local rents. Currently, only 5% of properties nationally are covered, whilst in London, this percentage is smaller still. Across London and the South East, the LHA rate is a dominating issue in increased homelessness. Even HMO and house-share properties are often too expensive, leading to a terrible increase in the use of temporary accommodation.

Increases to the LHA will be expensive, but we predict that it will pay for itself long term, due to reductions in temporary accommodation use. There is a significant amount of research to support the link between the level of LHA and

temporary accommodation use. For example, the [Local Government Association](#) found that if LHA were restored to just 30% of market rates, then the average gross cost of temporary accommodation for a council would reduce by approx. £1.4-3m, with 300 fewer households on average in temporary accommodation per local authority.

Reducing the number of households in temporary accommodation would also have knock on benefits through savings to the health sector and the labour market.

2. **Benefit Cap** -The Benefit Cap has the same effect as above - increasing homelessness. Research by [Capital Letters](#) found that between 2020-2022, only 0.8% of households in London were affordable for a capped single parent household with two children over four years old. It also makes it more difficult for households to move on from TA to settled accommodation. It is regrettable that the government chooses to spend a fortune on expensive, poor-quality temporary accommodation rather than investing modest amounts in the families that need it most.

C.4 Improve standards of temporary accommodation

Too often families are languishing in unsuitable and cramped temporary accommodation. There needs to be a robust inspection and enforcement regime, and Councils must be adequately funded to carry this out. There are already legal standards for TA, but they are often ignored and there is no national regulation. Temporary accommodation needs greater oversight, enforcement of the standards that are in place, and stronger service and support standards. Labour should amend the Statutory Code of Guidance on Homelessness by adding a new chapter on temporary accommodation.

Improving regulation should be [done through amending the Renters \(Reform\) Bill](#) to include the proposed Decent Homes Standard for the PRS, and by speeding up the timeframe for the Government to publish their report on the safety and quality of Supported Exempt Accommodation and Temporary Accommodation from one year to six months.

Finally, local authorities should be legally required to inspect temporary accommodation before it is offered to ensure it is suitable and of a decent standard. New national standards on facilities and service should be set (including access to basic amenities such as washing machines and Wi-Fi). This should be accompanied by increased funding to local authorities to meet the demand for training and staff that would result from these changes.

New standards for TA should include:

- Geographic limits - and compulsory notification to the new host LA when TA is provided across boundaries.
- No overcrowding
- Very strict enforcement of physical standards
- All households to have access to safe and hygienic food storage and preparation facilities.

• A guaranteed package of support for families: information, signposting, healthcare guarantees, childcare, schools, help for vulnerable people, employment support (50% of people experiencing homelessness in Westminster are in work). This could help to reduce repeat homelessness.

Conclusion

Taken together, this report aims to provide a strong framework for government action to tackle TA. This list is not comprehensive, but instead highlights the essential actions for any future Labour Government. The reasons for the vast numbers of people currently in temporary accommodation have long roots, tracing back to chronic underbuilding of social housing, short sighted benefit cuts, and an under regulated private rental sector.

As such, reducing the number of households enduring temporary accommodation will not happen overnight. Nevertheless, is essential that we start to make progress on this issue now, for the sake of both the families and children who reside there, and for the councils whose balance sheets are under such pressure. **We recommend that such a strategy is a priority for the 'first one hundred days' of a new administration.**

Appendix 1

Working Group

Andy Bates is the Executive Manager at Leathermarket JMB, Southwark's largest resident-managed housing organisation, and an Executive Member of Labour Housing Group.

Alison Inman is the Past President of the Chartered Institute of Housing and is a co-founder of SHOUT. Alison is also on the Executive Committee of Labour Housing Group.

Sheila Spencer worked in housing for 40 years, primarily in homelessness and housing needs, including stints in housing advice, homelessness services, academia, training, and consultancy. Sheila has been Secretary of Labour Housing Group since 2018.

Frankie Romer is the Communication & Administration Officer for Labour Housing Group and works for a homelessness charity in Yorkshire.

Fiona Colley is currently the Director of Social Change at Homeless Link and is a former Southwark Labour Councillor & Cabinet member 2010-2018.

Steve Hilditch has been a housing consultant for over twenty years. Previously he was Assistant Director of Housing for a London borough and Head of Policy at Shelter.

Hannah Keilloh is an experienced Policy and Practice Officer at the Chartered Institute of Housing, specialising in homelessness, domestic abuse, and planning.

Vicky Ball has worked within the homelessness sector for over 20 years and is currently employed as the Deputy Executive Manager at Leathermarket JMB.

Dr Kelly Henderson is a former Housing Professional of the year and Co-founder of the Domestic Abuse Housing Alliance (DAHA).

Sem Moema AM is a Member of the London Assembly and is the Deputy Chair of the Housing Committee. She is on the Executive Committee of Labour Housing Group.

Gill Leng was the National health and homelessness adviser to Public Health England & DLUHC. She is currently freelance.

With valuable contributions from

Matthew Wilkins is the Head of Value for Money at the Centre for Homelessness Impact

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Appendix 2

Interventions to prevent the need for temporary accommodation.

We find the five-stage approach to homelessness prevention ([Fitzpatrick, Mackie, Wood, Heriot Watt, 2021](#)) model helpful for conceptualising prevention interventions. Temporary accommodation itself is a prevention intervention – stage 4 emergency prevention. This is a great visual from Dr Pete Mackie (Cardiff University).



Appendix Three

Health and homelessness

LGA has written about the impact of homelessness on health, noting that homelessness and ill health are intrinsically linked - the health of people experiencing homelessness is significantly worse than that of the general population, and the cost of homelessness experienced by single people to the NHS and social care is considerable. Professionals in both sectors have a role to play in tackling the issues together:

<https://www.local.gov.uk/impact-health-homelessness-guide-local-authorities>.

Public Health England worked to support this joint work in their publication: Homelessness: applying All Our Health, part of a series which helps health professionals prevent ill health and promote wellbeing as part of their everyday practice (2019): <https://www.gov.uk/government/publications/homelessness-applying-all-our-health/homelessness-applying-all-our-health>

Such resources need to be updated and refreshed in the light of the pandemic as well as our further learning about the impact of homelessness on health and of poor health on housing chances.

People's experience of health care services can be poorer if they are homeless: one third of homeless deaths are from treatable health conditions. These reports call for a different way of working with people experiencing homelessness: <https://www.kingsfund.org.uk/publications/delivering-health-care-people-sleep-rough>
<https://qni.org.uk/nursing-in-the-community/homeless-health-programme/workingwithfamilieswhoarehomeless/>

In recent years, we have learnt a great deal about the previously unpublished data on deaths amongst people experiencing homelessness and rough sleepers.

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsofhomelesspeopleinenglandandwales/2021registrations>

Museum of homelessness reports 1,313 people dying last year:

<https://museumofhomelessness.org/news/museum-of-homelessness-honours-the-1313-people-experiencing-homelessness-who-died-in-2022>