

NIGHTLY PAID ACCOMMODATION EXPENDITURE 2024/25 UPDATE REPORT

Head of Service:	Rod Brown, Head of Housing & Community
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Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Homelessness & Rough Sleeping Strategy Action Plan update May 2024

Summary

EEBC continues to have a significant financial outlay on temporary accommodation costs to meet its homelessness obligations under the Housing Act 1996 and Homelessness Reduction Act 2017. The level of expenditure exceeded the budget set for 2023/24 and it will be a significant challenge to meet 2024/25 budget targets. This report sets out the anticipated costs for 2024/25 and outlines the actions taken to minimise homelessness expenditure.

Recommendation (s)

The Committee is asked to:

- (1) Note the use of Homelessness Prevention Grant (HPG) and reserves to cover the anticipated expenditure, for 2024/25, to enable the Council to meet its duties under the Housing Act 1996 and Homelessness Reduction Act 2017.**
- (2) Agree that a further update regarding nightly paid accommodation (NPA) expenditure be provided at the Community & Wellbeing Committee in March 2025.**

1 Reason for Recommendation

- 1.1 The Council has a statutory duty to assist homeless households under the Housing Act 1996 and Homelessness Reduction Act 2017. If we do not meet our statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.

2 Background

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- 2.1 Following on from July's report to the Community & Wellbeing Committee updating on the Homelessness and Rough Sleeping Action Plan and the level of expenditure on nightly paid accommodation to meet homelessness obligations, this report sets out the anticipated spend for 2024/25.
- 2.2 The climate in which officers operate remains incredibly challenging. This includes a rise in the number of homeless approaches, the complexity of cases as well as dealing with people's expectations regarding the type and location of their temporary accommodation.
- 2.3 The demand on the small number of private rented properties remains high, increasing costs and thereby inaccessibility for many.
- 2.4 Affordable housing options in Epsom & Ewell remain limited, as demonstrated by the low number of social lettings, which were down from 21 in Q1 2023/24 to 16 in Q1 2024/25.
- 2.5 The housing options and solutions team continue to work extremely hard to limit the impact of the high number of approaches to the service. However, despite their positive performance the number of households in temporary accommodation, including expensive nightly paid, is still increasing.
- 2.6 That said, the relatively steady state of numbers of households in nightly paid accommodation over the past 12 months has been achieved despite a 95% increase in homelessness approaches, from 57 applications in Q1 of 2023/24 to 111 applications in Q1 2024/25.

3 Priority action points

- 3.1 As outlined in previous reports, the establishment of the Private Sector Leasing (PSL) scheme has had a positive impact on reducing nightly paid expenditure and officers held a Landlord Forum late September to further promote the PSL scheme and the Rent Deposit scheme, which helps households to access the private rented sector.
- 3.2 Preventing homelessness is a key area of focus and the success of the Housing Options (Move On) Officer, recruited in June 2023, in helping to move-on over 76 homeless households into temporary accommodation and a further 11 into private rented accommodation, has demonstrated the critical importance of this part of the service. Officers are looking at options to make this role permanent and also to expand this area to increase resources on proactively preventing people losing their accommodation.
- 3.3 The Strategic Housing Manager has liaised with the Planning Policy Manager regarding the council's response to the National Planning Policy Framework (NPPF) consultation, to ensure robust policy is in place to increase affordable housing delivery.

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4 Next steps

- 4.1 Officers continue to focus on meeting the objectives as set out in the attached Action Plan. Specifically, officers are concentrating on homelessness prevention based activity and assisting households to move on from nightly paid accommodation into more secure and settled alternatives. Officers also continue to develop relationships with statutory partners, to clearly define areas of responsibility and reduce inappropriate referrals.
- 4.2 The issues faced by the Council in accommodating homeless households are unlikely to dissipate over the coming 12 months. It is therefore likely that despite continued positive performance from officers, the number of households in temporary accommodation will remain high for the foreseeable future.
- 4.3 Officers will continue to report temporary expenditure and progress against the Action Plan objectives, monthly to the Chair and Vice Chair of this committee.

5 Risk Assessment

Legal or other duties

- 5.1 Equality Impact Assessment
 - 5.1.1 Minimising homelessness will have a positive impact on inequalities.
- 5.2 Crime & Disorder
 - 5.2.1 None for the purposes of this report.
- 5.3 Safeguarding
 - 5.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.
- 5.4 Dependencies
 - 5.4.1 Expenditure will continue to be monitored closely and adverse variances reported to Audit & Scrutiny Committee through the Council's agreed budget monitoring procedures, and to the Chair and vice Chair of this committee.
- 5.5 Other
 - 5.5.1 None for the purposes of this report.

6 Financial Implications

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- 6.1 The original budget for 2024/25 was based on 70 families in nightly paid accommodation but throughout the first five months of 2024, the Council was regularly supporting in excess of 90.
- 6.2 As reported to Audit & Scrutiny Committee in September, the net expenditure on nightly paid accommodation is forecast to exceed budget by £375,000 by the end of the year. This expenditure will be met through the original budget, homelessness grant reserve and the Council's contingency for inflationary pressures and general fund balance.
- 6.3 For 2024/25, the Council has been awarded £649,727 Homelessness Prevention Grant (HPG). It is hoped that with pressures remaining so consistently high additional HPG funding may be awarded.
- 6.4 Should demand pressures continue throughout 2024/25, it is anticipated that in the absence of further government funding, there may be a continued need to apply the reserve while the service progresses initiatives to bring demand down to levels manageable within the budget.
- 6.5 **Section 151 Officer's comments:** The budget position will continue to be monitored closely, with forecasts updated and reported to members accordingly through the year.

7 Legal Implications

- 7.1 The Council's obligations, powers and duties in relation to homeless households are contained within the Housing Act 1996 and Homelessness Reduction Act 2017. If we do not meet our statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.
- 7.2 **Legal Officer's comments:** None other than as set out in this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

Safe & Well: Work with partners to improve health and wellbeing of our communities, focusing in particular on those who are more vulnerable.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** Not applicable.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.5 **Partnerships:** Registered Providers, in particular Town & Country Housing (formerly Rosebery) and Transform, East Surrey Outreach Service (ESOS), local letting agents, private sector landlords, Surrey Housing authorities

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9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous Reports:

- [Homelessness & Rough Sleeping Strategy 2022/27](#) - Community & Wellbeing Committee November 2022

Other papers:

- none