

Report for: **Cabinet Member for Housing, Private Sector and Planning**

Title: Continued use of hotel accommodation to meet homelessness need

Report authorised by: **Beverley Tarka, Director of Adults, Health and Communities**

Lead Officer: **Linmora Blair, Head of Temporary Accommodation**

Ward(s) affected: **All**

Report for Key/
Non-Key Decision: **Key decision**

1.0 Describe the issue under consideration.

- 1.1 On 17 October 2023, the Council approved an additional £2 million funding from the Homelessness Prevention Grant to cover increased budget pressures resulting from the need to use hotels to provide accommodation due to the shortage of alternative accommodation.
- 1.2 Due to the ongoing shortage of alternative accommodation, Housing Demand Services has been forced to extend the use of hotels beyond the originally anticipated period of 31 December 2023.
- 1.3 As a result, there has been an additional overspend of £1.6 million on the Housing Demand Budget, with £1,009,515 specifically attributed to hotel costs incurred between January 2024 and March 2024.
- 1.4 The Housing Demand MTFS growth of £2.9 million in 24/25 assumes no continued use of hotels (bed and breakfast). However, the lack of alternative supply continues to be a challenge and so we have entered the new financial year with households still living in hotels. We forecast that this will result in a need to extend the use of hotel cost of £1,511,990 for the period April 2024 to July 2024.
- 1.5 The Housing Demand and Strategic Procurement teams are working together to create a hotelier framework. Initially, it was projected to be completed by March 31, 2024. However, due to resource constraints, the expected completion date is now July 2024.

2.0 Recommendations

Cabinet Member for Housing, Private Sector and Planning is asked to:

- 2.1 Note the continued pressures and reliance on the use of hotel accommodation to meet our statutory homelessness responsibilities, including the block-booked arrangements that the Council have entered into.
- 2.2 Note the additional overspend of £1.6m in the 2023/24 Housing Demand budget and the continued risk to the 2024/25 budget position.
- 2.3 Correct the error within the previous Cabinet report dated October 2023 as set out in the exempt part of this report where the incorrect value was attached to the hotels.
- 2.4 Agree the extension of the current contracts to include additional spend given the continued use of hotels and the delay in the delivery of the Hotel framework, as detailed in the exempt report.
- 2.5 Note that the delay in the procurement of the Hotel Framework and the revised delivery date.

3.0 Reasons for decisions

- 3.1 To correct the error within the previous Cabinet report dated October 2023 where the incorrect value was attached to the hotels and to approve the contract extensions to ensure compliance with regulations.
- 3.2 It is a legal requirement to provide interim accommodation to households who approach us for homelessness assistance if the Council have reason to believe they are homeless, eligible for assistance and in priority need, and to provide temporary accommodation to households once the Council have accepted a housing duty.
- 3.3 The continued shortage of supply has meant that the Council is unable to source enough self-contained accommodation and has thus needed to continue using hotels to meet its statutory duties.

4.0 Alternative options considered.

- 4.1 The option of doing nothing is not feasible as it is unlawful to leave families who are owed a duty without accommodation.
- 4.2 A series of mitigating actions are planned to reduce the use of hotel accommodation throughout the year but at this stage the Council have a continued need to use hotel accommodation to meet our statutory responsibilities.

5.0 Background Information

Statutory Duties

- 5.1 The Council has a statutory duty to provide interim accommodation to households where the Council has reason to believe they are homeless, eligible for assistance, and in priority need while the Council seeks to relieve their

homelessness and complete our investigations. If the Council accepts that it owes a household a main housing duty, the Council has a duty to provide suitable temporary accommodation until the households receives an offer of social housing or a suitable tenancy in the private rented sector.

- 5.2 Haringey uses a range of types of accommodation to meet these responsibilities, including use of our own hostel stock, general needs council homes on regeneration schemes and elsewhere and properties leased or licensed from private property owners. However, an increasingly challenging market has meant that the Council is unable to secure access to enough longer-term temporary accommodation, and for the first time for over a decade Haringey is using hotel accommodation.

Previous Report of 17 October 2023

- 5.3 The 17 October 2023 decision authorised the use of the additional £2 million from the Homelessness Prevention Grant to cover the increased budget pressures resulting from hotel use and supply pressures.

- 5.4 The decision also approved:

- the establishment of a Hotelier Framework with delegated authority given to the Head of Procurement to appoint hoteliers onto the framework;
- Delegated authority to the Director of Adults, Health and Communities (following consultation with the Lead Member for Housing Services, Private Renters and Planning), to award block contracts for hotel accommodation commissioned from the Hotelier Framework valued from £500,000 up to a maximum of £2 million.

Continued Supply and Demand Pressures

- 5.5 Although Haringey continues to deliver top quartile performance on homelessness prevention, the Council is seeing an increase in demand in three main areas – evictions from the private rented sector, approaches from refugee households, and approaches from people fleeing domestic abuse.
- 5.6 There has also been a London-wide reduction in the availability of both affordable private sector lets and properties available for use as temporary accommodation as owners look to exit the sector or are able to get higher rents from private tenants.
- 5.7 The Council recognises that the use of hotel accommodation to meet our statutory duties has a significant impact on the households placed there and presents significant financial and reputational risks to the Council. The Council has therefore developed a B&B Elimination Plan (appendix 1) to move away from a reliance on hotels as soon as possible.
- 5.8 As set out in the previous report, as of 25 September 2023, there were 103 households living in hotels, The number of families living in hotels has increased to 119 at the end of March. The average stay in B&B has reduced to 12 weeks compared to 16 weeks in November 2023.

5.9 The situation has meant that the Council has needed to enter into arrangements with hotels to meet this pressure and this report seeks to highlight the additional spend incurred in order to meet our statutory requirements and to provide information on the arrangements the Council have entered into.

Budgetary pressures

5.10 The unprecedented increase in hotel usage was not accounted for in the 2023/24 budget.

5.11 In the previous report, the Council projected a spend of £2.7m with an income generation of £0.7m creating a net pressure of £1.979m.

5.12 As of January 2024, the forecast spend has risen to £4.5m with an income generation of £0.9m, leaving a net budgetary pressure of £3.5m.

5.13 The revised forecast has thus left a gap of £1.6m more than the previous forecast.

B&B Elimination Plan

5.14 The B&B Elimination Plan contains a range of actions against the following set of headings:

- Prevention of Temporary Accommodation need against main causes of Family Homelessness
- Reducing/End family B&B initial placements. Managing move on from Emergency placements.
- Increasing supply of suitable accommodation

5.15 Since the report of 17 October 2023, the B&B Elimination Plan has succeeded in moving families out of hotels and has stabilised our position and reducing the length of stay in the accommodation despite continued demands.

5.16 However, it also faces continued challenges as the number of voids has under-delivered and the number of new build homes have been delayed. The Appendix 1 illustrates an update on the B&B Elimination Plan.

5.17 The table below shows the number of household accumulative moves out of B&B between November 2023 and April 2024

	15-Nov	19-Dec	24-Jan	12-Feb	02-Apr
Housed	48	57	61	71	81
Moved	63	88	100	115	136
DOD	21	27	26	29	32
Other	13	14	15	20	22
	145	186	202	235	271

6.0 Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

Homes for the future

- There will be a decrease in the number of families who need to live in temporary accommodation.
- Further development of supply options to support the avoidance of temporary accommodation where possible but ensuring the quality of TA supply when needed.
- There will be a co-ordinated and compassionate response single adults who are facing homelessness.
- There will be a decrease in rough sleeping in the borough.
- We will ensure that our council housing is allocated fairly to those in housing need and that the Council make best use of our stock.

7.0 Carbon and Climate Change

Not applicable

8.0 Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities

Finance

- 8.1 Finance notes the content of this report. The additional overspend is a variation from the quarter 3 position and will be reported in the year end provisional outturn.
- 8.2 The additional overspend will increase the overall budget gap and the need for further savings.
- 8.3 Further finance comment is contained in the exempt report.

Strategic Procurement

- 8.4 Strategic Procurement has been consulting with colleagues in housing demand to establish a Hotelier Framework to provide a compliant and flexible process for commissioning hotel rooms in accordance with the Public Contract Regulations.

The establishment of a Hotelier Framework is in progress with a planned go live of July 2024.

- 8.5 CSO 16.02 permits the Leader to delegate decisions whether urgent or not to the Cabinet Member having the relevant portfolio responsibility.
- 8.6 Additional Procurement comments are contained in the exempt part of this report.

Legal

- 8.7 The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in the drafting of this report and comments as follows.

- 8.8 By s188(1) of the Housing Act 1996 the Council has a statutory duty to secure accommodation for those persons who approach the Council and whom the Council has reason to believe may be eligible, homeless and in priority need and whom it is not satisfied are intentionally homeless, pending a decision on those matters.
- 8.9 By s192(3) of the same Act the Council has a statutory duty to secure accommodation for those whom it has found to be eligible, homeless (not intentionally) and in priority need.
- 8.10 The Homelessness (Suitability of Accommodation) (England) Order 2003 restricts the use of hotel accommodation, particularly for those with family commitments, to use as a last resort and for limited periods. The Code of Guidance advises that “the Secretary of State considers that where housing authorities are unable to avoid using B&B accommodation to accommodate applicants, they should ensure that such accommodation is of a good standard and is used for the shortest period possible.”
- 8.11 The Council has a general power of competence under Section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation. The Council may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. Further, the Council has power under S.111 Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations within this report are in accordance with these powers.
- 8.12 The suggested procurement of a framework agreement for using hotel accommodation for provision of temporary accommodation does not constitute leasing of properties and therefore falls within the scope of the Public Contracts Regulations 2015 (PCR 2015). The procurement constitutes a public services contract for the purposes of the PCR 2015 and as the estimated value exceeds the financial threshold for these services, the procurement must be run in accordance with the rules stipulated under the PCR. Reg 33 provides that the establishment of a Framework Agreement is a compliant method of procurement under the PCR 2015. Further, the suggested procurement is in line with CSO 7 which allows for the use of a Framework Agreement as a procurement process. The Council must ensure best value is achieved through the suggested procurement.
- 8.13 The Cabinet Member with the relevant portfolio has power to approve the recommendations under CSO 16.01 which provides that in-between meetings of the Cabinet the Leader may take any such decision or may allocate to the Cabinet Member with the relevant portfolio.
- 8.14 There are no legal reasons why the Cabinet Member with the relevant portfolio should not approve the recommendations in this report.

Equality

- 8.15 The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

8.16 The report in question is regarding the council's provision of temporary accommodation, namely the use of hotels, the financial risk to the council as a recently awarded homeless prevention grant is nearly used up and the B&B elimination plan, which contains a range of actions aimed at reducing and then eliminating our use of hotel accommodation by the end of the year.

8.17 Data held by the council suggests that women, young people, BAME people, those who identify as LGBTQ+, disabled individuals and those from a low socioeconomic background are known to be particularly vulnerable to homelessness. As such, any action to ensure a good supply and improve the quality of temporary accommodations should positively impact those who share these protected characteristics. In the same vein, any outcomes that limit the supply of temporary accommodation would have a negative impact on those who share these protected characteristics.

9.0 Use of Appendices

9.1 B&B Elimination Plan update

10.0 Background Papers

10.1 None