

Shelter Briefing: Temporary accommodation and the cost of homelessness

Summary

Shelter is the UK's largest housing and homelessness charity. Last year we gave information, support and advice to millions of people experiencing bad housing and homelessness.

The increasing amount that councils are spending on temporary accommodation is a stark reminder of the growing cost of homelessness and the housing emergency. Instead of investing in the social housing that would end the housing emergency, public money is currently being spent on dealing with its impact: rising homelessness. In 2018/19 local authorities in England spent £1.1 billion on temporary accommodation. This figure has increased by 78% over the last five years. Over the same period, the number of households accommodated in temporary accommodation increased by 45%.

Key recommendations:

- Shelter is calling for a commitment to increase the number of social homes built. Research suggests we need at least 90,000 social homes a year to tackle the housing emergency.
- Loss of a private tenancy remains a leading cause of homelessness and Shelter welcomes the government's commitment to scrap Section 21 "no fault" evictions. This will be vital in protecting private renters at the sharpest end of the housing emergency.
- The difference between Local Housing Allowance rates and local rents is causing debt, poverty and homelessness. Local Housing Allowance rates must be restored to reflect at least the bottom 30th percentile (i.e. the cheapest 30%) of local market rents.

Temporary Accommodation

Councils have a legal duty to accommodate homeless families and procure temporary accommodation until suitable long-term accommodation is available.

A chronic lack of social housing, cuts to housing benefits and diminished budgets has made it much harder for councils to cope with the volume of people who need their help. The reliance on temporary accommodation has therefore grown significantly over recent years.

- At the end of June 2019, there were **86,130 homeless households** living in temporary accommodation in England – the equivalent of the population of York. Over 50% of homeless families are in work.
- The number of households who are living in emergency B&B accommodation (**7,110**) has increased by 55% in the last five years.
- **127,370** homeless children in England are growing up in insecure and often tiny, poor-quality temporary accommodation.
- **Over a quarter (26%)** of this accommodation is out-of-area because councils cannot find suitable local accommodation, resulting in long commutes to school and work.
- Between April 2018 and March 2019, councils spent almost **£1.1 billion** on temporary accommodation – a rise of 9% in a year and 78% in five years. Our research also shows that 86% of this money is flowing directly to private providers, most of whom are unregulated.

The explosion in the temporary accommodation industry has been caused by a chronic lack of investment in decent and genuinely affordable social housing. Cuts to Local Housing Allowance have made the private rental sector increasingly unaffordable, contributing to a sharp increase in homelessness.

In order to lift people out of temporary accommodation and fix the housing emergency, the government must urgently increase Local Housing Allowance to ensure it once again covers the cheapest 30% of market rents and commit major investment to a long-term social housebuilding programme.

Permitted Development Rights and temporary accommodation

Shelter's research has exposed the extensive use of former office blocks as temporary accommodation thanks to conversion through permitted development rights (PDR).

The expansion of PDR in 2013 to enable conversion of offices into residential accommodation has directly led to the creation of poorly located, low quality and wholly unsuitable accommodation. By allowing developers to bypass the planning system the government has removed the democratic control of local councils from development and we have lost out on more than 10,000 affordable and social homes that could have been delivered had these conversions gone through the planning system.

Examples like [Terminus House in Harlow](#) where hundreds of families are forced to live in appalling conditions, or the [proposed conversion of an office in Watford](#) that includes flats without any natural light demonstrates the extent of the quality issues we face through PDR.

Shelter believes that PDR has no place in the delivery of new homes and that office to residential PDR should be ended with immediate effect.

The cost of temporary accommodation in London

The table below shows the London councils that spent the most on temporary accommodation in 2018-9. Newham spent the most on temporary accommodation out of local authorities in London (and England). The council spent almost £80 million on temporary accommodation for homeless households in 2018/19. Newham is followed by Hackney (£57.9 million), Enfield (£53.8 million) and Westminster (£50.2 million).

| Rank | Local authority | Total temporary accommodation spend (18/19) |
|------|----------------------|---|
| 1 | Newham | £79,740,000 |
| 2 | Hackney | £57,921,000 |
| 3 | Enfield | £53,776,000 |
| 4 | Westminster | £50,146,381 |
| 5 | Haringey | £42,524,590 |
| 6 | Kensington & Chelsea | £41,052,000 |
| 7 | Redbridge | £39,473,000 |
| 8 | Waltham Forest | £39,026,000 |
| 9 | Croydon | £38,806,675 |
| 10 | Brent | £35,662,994 |
| 11 | Ealing | £33,930,000 |
| 12 | Tower Hamlets | £32,445,000 |
| 13 | Barnet | £28,408,000 |
| 14 | Southwark | £25,319,000 |
| 15 | Bexley | £21,303,000 |
| 16 | Barking & Dagenham | £21,085,000 |
| 17 | Hammersmith & Fulham | £19,909,000 |
| 18 | Wandsworth | £19,729,000 |
| 19 | Bromley | £17,359,000 |
| 20 | Lewisham | £15,791,616 |

If you have any questions or would like data specific to your area, please contact reshima_sharma@shelter.org.uk.

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[shelter.org.uk](https://www.shelter.org.uk)

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