Birmingham City Council Temporary Accommodation Strategy 2023 - 2028

Foreword

Birmingham is a city with great heart and great opportunities, but also great inequality.

Homelessness is a blight on our city and the truth is that it has been growing, even as the city is becoming more prosperous. This is why the Council is devoting more energy than ever to addressing the problem, including new capital investment, more frontline officers, and new ways of working.

Birmingham does well on tackling single homelessness, with one of the lowest rates of rough sleeping in the country for the size of its population.

But the problem of family homelessness is stark, and risks getting starker as the number of social lettings declines and the private rented sector becomes less and less affordable.

Research this year by Crisis and Zoopla shows that only 7% of two bed properties and 6% of three bed properties listed in the West Midlands were available to let at the rents covered by housing benefits, compared to 27% of the households in the West Midlands needing support from benefits towards their rent.

This is significantly worse even than London and is a major reason why so many families turn to the Council for help when they need somewhere to live, because there is just nowhere that they can afford.

This is likely to become even more difficult as the cost-of-living crisis deepens. The government has refused to raise the level of housing benefits next year, despite a reported 17.6% rise in the cost of renting in Birmingham in the year to September 2022, one of the highest in the country.

The Council cannot solve these problems alone, but we are absolutely determined that any family who becomes homeless in this city will have safe, decent accommodation to live in, and that the use of bed and breakfast (B&B) accommodation for families with children, other than for short term emergencies, will end.

This strategy, one of the first of its kind in England, takes an honest look at the scale of the problem Birmingham faces and sets out the measures we will take over the next five years to improve the quality and cost effectiveness of the accommodation available to families who need it.

It runs in parallel with the Council's strategic direction and dedicated efforts to intervene earlier and more effectively to prevent households from becoming homeless in the first place.

The strategy commits the Council to an unprecedented capital investment over the next five years in acquiring good quality family accommodation that will be there to help the citizens of Birmingham for generations.

We pledge to work more effectively in partnership with housing associations and the private rented sector to provide access to well managed affordable family homes, and to reduce the length of time any family has to spend in accommodation with shared facilities.

We are also prepared to take drastic action in the short term to increase the number of social housing nominations to get families out of temporary accommodation and end the non-emergency use of B&B, whilst looking in the longer term to prevent homelessness as often as we possibly can.

We cannot allow the lives and opportunities of children in Birmingham to be disadvantaged by homelessness. This strategy is a key milestone on the way to achieving that goal.

Councillor Jayne Francis

Cabinet Member for Housing and Homelessness

Foreword Update June 2023

Original Draft and Data Modelling November 2022

Contents

Table of Contents

Summary

The challenge

Over the eight years from March 2014 to March 2022, the number of families in temporary accommodation (TA) in Birmingham grew at 14 times the national average.

Although by no means the council with the largest number of households in TA compared to its population, the recent growth of TA in Birmingham has been higher than for almost any other council in the country in absolute terms.

The heart of the issue is for families with dependent children. Birmingham performs better than many other councils on single homelessness, with a much lower number of single people in TA than some comparable authorities, and with rough sleeping numbers well below the national average compared to population size.

For families though, the situation has become increasingly difficult, with Birmingham in March 2022 having around the same number of families in B&B accommodation as the rest of the local authorities in England put together.

The main reason for this is seen through examination of the national homelessness statistics, which show that Birmingham not only accepted more than twice as many main homelessness duties for families than any other local authority last year, but also had the highest rate of family main duty acceptances in England per thousand households living in the Council's jurisdiction.

It is therefore key to resolving the problem of TA in Birmingham that homelessness prevention, relief and assessment work improves. Although this is not the direct focus of this strategy, which is more concerned with the use of accommodation to tackle homelessness, working to increase homeless prevention and reduce the number of family main duty acceptances is a key part of the Council's approach. This is unlikely to be easy in the current climate, however, with rising homelessness pressures across the country and in Birmingham in particular.

As well as being the 7th most deprived local authority in England, with nearly half of the city within the bottom 10% most deprived nationally, Birmingham also has a higher percentage of families with children than the national average[1]. The city also had the highest numerical population growth of any local authority in England between 2011 and 2021 according to Census data[2], with a rise in population of 71,855 people over the period.

Birmingham now has one of the least affordable private rented sectors for families on low incomes in England. Social lettings have also followed a long-term pattern of decline and the proportion of lets going to families in TA is low.

A key barrier to success is the historic lack of successful engagement with the private rented sector (PRS), which has been key to reducing admissions to TA in other parts of the country. Whilst the Council has begun to devote significant resources to improving access to PRS accommodation, this is made more difficult by the increasing disparity between market rents and the Local Housing Allowance (LHA), which is the cap on benefits payable to cover PRS housing costs. According to

[1] 34% compared with 29% according to the 2011 census

[2] Population and household estimates, England and Wales - Office for National Statistics (ons.gov.uk)

Rightmove[3], PRS rents in Birmingham rose by 17.6% in Birmingham in the year to the end of September 2022 alone, one of the highest increases in England. LHA rents, on the other hand, have been frozen since April 2020, and will be frozen again for 2023/24.

Although the supply of all forms of TA in Birmingham has risen rapidly in recent years, it has simply not risen fast enough to keep pace with rising homelessness demand from families with children.

The result of having consistently more homeless families than the available supply of TA has been the increase in the use of B&B accommodation, including its unlawful for families over 6 weeks.

Despite important increases in the Council's resources over the past year to tackle homelessness, the development of a comprehensive B&B reduction plan, and the opening in 2022 of the largest family homelessness centre in Europe, the numbers in B&B to date have continued to rise.

In part, this is because some of the projects being implemented as part of the Council's new service model, including the new Private Rented Sector Accommodation Finding team (AFT), the new TA Move On and Support team, and the new £60m property acquisition scheme, have been slower to deliver than expected. The Council has also experienced short term difficulties in the transition to a new block contract for private sector leased (PSL) accommodation which has temporarily reduced the amount of PSL accommodation available.

The Council's response so far, whilst substantial, has been too small to be resilient to slippage, setbacks, and rising homelessness demand. Having the ambition and resolve to change this will bring about a step change in progress on TA over the next five years, even if homelessness demand increases.

However, even with the more ambitious approach set out in this Strategy, it has to be accepted that the structural issues of reduced PRS affordability, reduced social lets, inflation, cost of living increases and an expected long recession, means that there is likely to be a continued substantial cost to the Council of providing decent quality accommodation for homeless families. It is also unlikely that the headline numbers in TA will reduce by very much.

The significant difference though, is that the Council's expenditure in this Strategy will be in areas such as acquiring long term capital assets through property acquisition and providing stable leased accommodation managed by housing associations, rather than spending the much larger amounts of money needed to keep families in shared B&B accommodation, very often outside Birmingham.

What can be done

The future for TA provision in Birmingham is necessarily uncertain because of the changes to homelessness pressures and the affordability of accommodation.

The position is challenging, as both overall housing supply and new affordable housing supply are not expected to keep pace with demand, despite the Council's increased focus on increasing affordable housing supply set out in the Housing Strategy. There is no indication that either PRS affordability or supply will improve.

In addition, government has decided to freeze the LHA rate for a further year in 2023/24 and make further cuts to public sector spending.

[3] Rental-Trends-Tracker-Q3-2022-Final.pdf (rightmove.co.uk)

Against this difficult background, if the trend in Birmingham over the next 5 years were to follow the numerical rate of increase of the past 8 years, then in five years' time there would be 5,800 households in TA and 1,080 households in B&B. As discussed later in this document, there are plausible scenarios in which both of those figures could be significantly higher.

However, there is much the Council can do to prevent this. The key areas of potential are:

- To become more effective at homelessness prevention and case work so that Birmingham is no longer an outlier compared to other cities. Only where there is genuinely no alternative should families remain in TA.

- To increase the proportion of social lettings of family size properties that go to homeless families in TA from around 21% to 70% for one year and then at least 50%, for as long as is necessary, through a combination of the new allocations policy, direct offers, and auto bids. This would lead to around 900 additional family moves out of TA in the first year and 500 per year thereafter.

- To radically increase the number of PRS properties used to end homeless duties through a combination of better engagement with landlords, increased and varied landlord incentives, if necessary, the setting up of a PRS leasing scheme, and the establishment of a comprehensive support offer to households to find their own PRS property.

- To increase and extend the Council's property acquisition scheme and, where it is complementary and adds value to do so, to work with investment partners, to achieve the aim of having acquired or leased at least 1,500 properties for the use of homeless households over the next five years.

- To improve the Council's support and management to residents of TA to meet the minimum standards set out in the forthcoming temporary accommodation charter.

- To make flexible use of the new dynamic purchasing system (DPS) to procure self-contained TA to accelerate the end of B&B.

- To work closely with housing associations and other partners on opportunities for development, conversion, and purchase, to provide good quality accommodation for TA or to end homelessness duties.

The case for investment is clear. TA currently costs the Council around £2.1m per month including losses on expensive forms of TA like B&B and PSL, staffing costs, voids, and bad debts.

Every family whose homelessness is prevented or relieved can avoid costs of up to £24,000 minus the costs of the prevention activity.

The difference between doing enough to meet demand and doing too little translates directly into the number of families going into B&B reducing to zero or increasing even further, with the potential for the Council's costs to double, or even more.

Modelling the options

Figure 1. shows the wide range of potential monthly costs which the Council could theoretically incur over the next 5 years dependent on whether homeless demand, as expressed in the number of households entering TA, stays the same or increases, and how successful the Council's interventions are.

These costs exclude the costs of property acquisitions on the basis that property acquisitions generate a net asset for the Council. However, it is important to note that this is not straightforward to represent in accounting terms. Costs including property acquisition costs not linked directly to repayment of principal are modelled later in the report and would mean that monthly costs remain above £980k for the full five years of the Strategy in all scenarios.

Scenario 1. Current Plan[4]

In this scenario demand remains stable and the Council delivers on its current plans, including an increase in lettings of family sized properties to families in TA to 50%. Costs fall from £2.1m per month in October 2022 to £0.9m per month by March 2028, with B&B for families over 6 weeks ending in September 2023.

Scenario 2. Current Plan with additional property acquisitions

Scenario 2. assumes that the current plan is delivered and that property acquisitions (assessed as cost neutral for this model) double to 25 properties let per month from April 2023 and continue at the same rate for the 5-year period. In addition, 70% of lettings to family sized properties go to families in TA for the first year.

In this scenario, costs fall to £0.1m per month by December 2026 and B&B over 6 weeks ends earlier, in May 2023.

Scenario 3. Current Plan with halved increase in allocations, property acquisitions and dispersed

However, the positive outcomes in Scenarios 1. and 2. are sensitive to under performance. Scenario 3. shows what could happen if some of the current proposals under deliver. In this scenario costs rise to £3.2m per month by March 2028 and B&B for families increases substantially.

Scenario 4. Current Plan with demand increased by 1/3

Scenario 4. illustrates the case where the current plan is delivered, but demand rises by 1/3 from January 2023 and the continues at that level. This leads to costs per month rising to £7.4m per month by March 2028, largely because of a rise in the number of households in B&B to over 3,000.

Scenario 5. Current Plan with 1/3 increased demand, extra property acquisitions, 70% lettings to families in TA for one-year, extra PRS/PRS leasing, 100 extra homeless centre units every 6 months and continued DPS procurement until B&B zero

To avoid this possibility, Scenario 5. models a rise in demand but the same increase in property acquisitions and lettings to families in TA through the allocations system as in Scenario 2., with an increase in PRS discharge of 400 per year through PRS leasing and increased landlord incentives, an

[4] This does not include activity which the council hopes to do but has not yet programmed for e.g., PRS leasing, and so may differ slightly from the current B&B reduction plan projections.

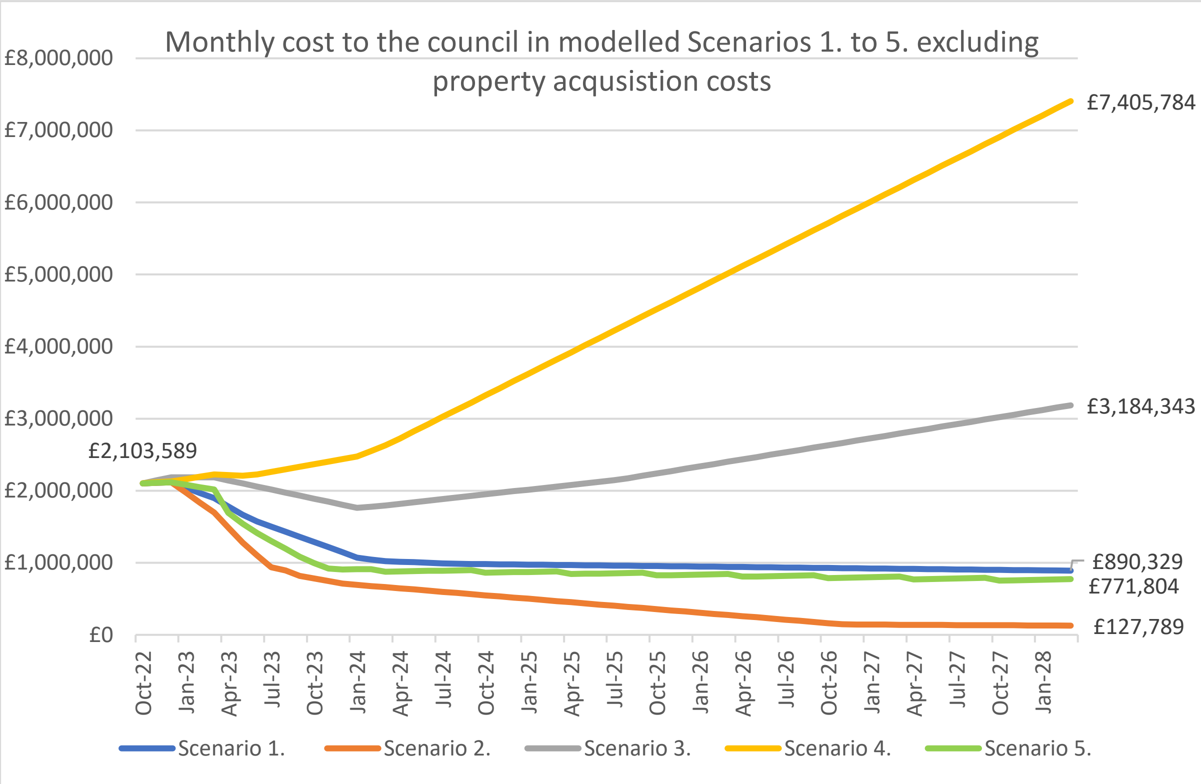
additional 100 homelessness centre units every 6 months, and the expansion of the DPS scheme until B&B reaches zero.

This concerted effort brings the cost profile excluding property acquisitions below the level of Scenario 1. with B&B for families over 6 weeks ending in July 2023.

It is clear that preparing only for a best-case scenario of stable demand and no slippage in projections carries very large risks, with costs and B&B numbers rising out of control in both Scenario 3. and Scenario 4.

On the other hand, as illustrated in Scenario 5., an upgraded, flexible response which can be scaled up or down according to need, reduces both costs and B&B numbers even if demand rises very significantly.

Figure 1.



Key objectives

The analysis in this Strategy shows that with the right level of investment and commitment, a dramatic improvement to the current situation can be brought about.

A commitment to sustained investment is required, sufficient to deliver the Council's objectives even if some initiatives underperform or there is a rise in demand.

This implies an element of contingency is necessary alongside a commitment to review and change the pattern of investment if things go better or worse than envisaged.

The strategy therefore sets out a pathway to achieve the following key objectives within the next five years:

Objective 1. **End the use of B&B for families over 6 weeks by the end of summer 2023 and keep it at zero.**

Objective 2. **End all but emergency use of B&B by autumn 2024 and maintain this for the life of the strategy.**

Objective 3. **End the requirement for families to stay in accommodation with shared facilities for longer than one year by summer 2025 and by longer than 6 months by summer 2026.**

Objective 4. **Increase Council acquired accommodation so that this provides 1,500 units of accommodation by March 2028.**

Objective 5. **Ensure that all but a small proportion of TA is either owned in the general fund through property acquisitions, is the Council's own stock let as dispersed accommodation or is good quality homelessness centre accommodation by March 2028.**

Objective 6. **Reduce the monthly costs of TA and alternatives to TA, excluding property investment costs, from over £2m today to less than £1m by March 2028, depending on levels of homelessness demand.**

Objective 7. **Ensure that all TA residents are actively supported to access the full range of services around employment and training, financial and debt advice, and income maximization that they require, and that disruption to children's education is minimised.**

The Council's commitments

These key objectives will be achieved by implementing twenty-four ambitious commitments, which between them have the capacity to transform the position and make Birmingham a leader in its approach to family homelessness.

1. **Homelessness prevention and frontline casework**
   The Council will implement the reforms to homelessness prevention and assessment agreed in response to the recent review of this activity, and ensure that homelessness prevention is a key part of the early intervention and prevention services the Council is setting up as part of its wider strategy to support citizens.

2. **Social lettings to families in temporary accommodation**
   The Council commits to achieving 70% of lettings of family sized properties through the allocations system going to families living in TA for one year from March 2023, falling to a minimum target of 50% from March 2024, subject to review.
   This will be achieved through the impact of the new allocations policy, supplemented as necessary by direct offers and auto bids.

3. **Acceleration of the property acquisitions scheme**
   The Council will double the rate of lettings through the current property acquisitions programme to an average of 25 lettings per month from October 2023. This will be achieved by implementing a package of measures including widening the search for properties to

more wards, seeking to purchase properties from housing association and other partners when available, and the targeting of RTB buy backs for acquisition. Staffing resources will increase as necessary to achieve this, both at the Council and with the Council's partners.

4. **Continuation of property acquisitions over the life of the strategy**
The Council commits to further medium-term investment in property acquisition through a continuation of the existing programme at an accelerated rate and by working with investment partners when this represents value for money and complements the in-house programme. The intention is to secure at least 300 family sized properties per year, subject to an annual review to ensure value for money is achieved.

5. **Increased staff resource for TA move on and lettings**
The Council will increase the number of TA move on and support officers, voids and lettings officers, and review officers to be commensurate with the successful achievement of commitments 2. and 3., recognising the additional work that this increase in the number of moves into social housing and acquired properties will bring.

6. **Establishment of a PRS leasing scheme**
The Council will establish arrangements with one or more leasing partners by April 2023, either from the housing association or commercial sector, to lease and manage properties to be let as private rented sector accommodation to end homelessness prevention, relief, or main duties.

7. **Commitment to lease 200 properties to end homelessness duties**
Through joint working between the AFT and the PRS leasing partner/s, the Council will enable leasing of 200 properties for 5 years to end homelessness duties in this type of accommodation in the year from Spring 2023, with a view to extending the programme in future years.

8. **Increased PRS access through the AFT team**
The Council will continue to fund the AFT at current staffing levels and an increased funding pot for incentive payments. We will aim to increase the number of PRS lettings to end a homelessness duty from the current rate of approximately 5 per week to 10 per week from July 2023 through a combination of a review of incentive payments, and guaranteed rents.

9. **Establish a 'find your home' scheme to prevent and relieve homelessness**
The Council will fund a team to work with households at risk of homelessness, housing solutions officers, TA support officers and early intervention and prevention officers to support households in housing need to find and secure access suitable PRS accommodation, including payment of landlord incentives where this will help prevent a household entering TA or help them to move from TA.

10. **Capital Fund to raise standards in the PRS and increase lets to prevent and relive homelessness**
The Council will establish and administer a £5m capital fund to support PRS landlords to bring their homes up to regulatory standards or to convert supported exempt accommodation to family use. Funding will be conditional on letting the accommodation to

a homeless family nominated by the Council for a minimum agreed period, either through the AFT team or the PRS leasing scheme.

11. **Limited increase in dispersed TA**
The Council will increase the number of dispersed TA units 2,400[5] homes by the end of June 2023, but this will be the limit of expansion of the use of Council accommodation for this purpose for the foreseeable future.

12. **Conversions of dispersed TA to settled accommodation**
The Council will offer homeless households living in dispersed accommodation the opportunity to convert to a settled tenancy in the same home, where the property is suitable for their needs and the household wishes to remain there. The rate of such conversions will not be so high as to prevent the achievement of commitment 11. to reach 2,400 dispersed homes by June 2023, but thereafter will increase to match the rate at which converted homes can be replaced on a like for like basis.

13. **Review of Council assets for possible use as TA**
The Council will make a regular assessment of available Council assets eligible for potential sale, in case better use could be made of them by development or conversion into good quality self-contained TA or homelessness centres.

14. **Increased flexibility in securing accommodation**
The Council will agree a clear framework between housing solutions and procurement, which offers the maximum flexibility available within the law to quickly lease, purchase or let to accommodation offered by property owners or developers, which is suitable for use as temporary accommodation and better value for money than B&B.

15. **Joint working between Housing and Adult Social Care**
The Council's Housing and Adult Social Care departments will work together in a planned way to address the needs of families with care needs living in council stock or other housing which is unsuitable for them. This may be because of the need for adaptions or for other reasons specific to each household. The aim will be to avoid homelessness and TA wherever possible, and to facilitate moves to smaller, more suitable accommodation when this makes sense, increasing the availability of larger family homes for other families.

16. **Partnership with housing associations**
The Council will work with the Birmingham Social Housing Partnership group to pursue and develop partnership arrangements with housing associations allowing the development, conversion, purchase, or lease of accommodation to accommodate homeless families.

17. **Joint working in the West Midlands**
The Council will seek to work with the other West Midlands councils and the Combined Authority on the establishment of common standards and protocols for joint working on temporary accommodation and PRS accommodation used for out of area placements.

[5] This equates to 2,200 dispersed units let at any one time, based on an 8% void rate.

18. **Work with government**
    The Council will work actively with government to pursue the potential for joint working to tackle family homelessness, through grants, policy changes or otherwise.

19. **Temporary accommodation charter**
    The Council will publish a temporary accommodation charter by September 2023 which sets out the minimum standards and services TA residents should expect to receive.

20. **Improved access to services to TA residents**
    The Council will improve access to services for children, for employment and training, for health and for financial inclusion and income maximization, by provision of comprehensive and accessible information in these areas to all households in TA and by training of TA support staff.

21. **Improved support for TA residents**
    The Council will continue and where possible expand its work to ensure that all households in TA are registered on the allocations system and are claiming any welfare benefits, they are entitled to. This work will also extend to working to remove barriers to move on wherever possible, include issues such as rent arrears, the need for adapted properties, or other matters specific to each household.

22. **Children's education**
    The Council will work with Education to seek alternative routes to accessing education for children who cannot attend school. To address this, the Council housing solutions and education teams will work together to to seek alternative routes to accessing education for children who cannot attend school. This could include the development of an online resource to ensure that children have access to education regardless of location. We will also work with Travel Assist and if possible other transport authorities to upgrade bus passes to bus and rail, reducing travel times and also allowing families to travel further, if necessary.

23. **First night placements**
    Through reduction of the use of B&B and the establishment of homelessness centre assessment beds within existing provision, the Council will move to a situation where all first night placements in TA are within Birmingham by Summer 2023.

24. **Annual TA satisfaction survey**
    The Council will commission an annual tenant satisfaction survey for TA tenants with the first taking place no later than November 2023.

Introduction

Background

Birmingham City Council, like other local authorities, provides TA to fulfil duties under the homelessness legislation requiring the Council to ensure that accommodation is available for households who would otherwise be homeless.

This is subject to legally defined criteria setting out the circumstances in which the Council has a responsibility to provide accommodation. These cover the following areas:

- Is the household eligible for assistance, which usually relates to issues of nationality and immigration status.
- Is the household homeless, or do they have suitable accommodation available to them.
- Is the household in priority need for assistance, due to vulnerability, either because the household includes dependent children or includes an adult member who is vulnerable as set out in legally defined criteria.
- Is the household intentionally homeless as a result of their own deliberate actions or omissions.
- Does the household have a local connection to Birmingham or are there reasons why the duty to accommodate them should instead lie with another local authority.

TA must be provided where the legal criteria around these issues have been met, until such time as it is no longer required because settled accommodation has become available to the household, either due to the efforts of the Council or of the household themselves.

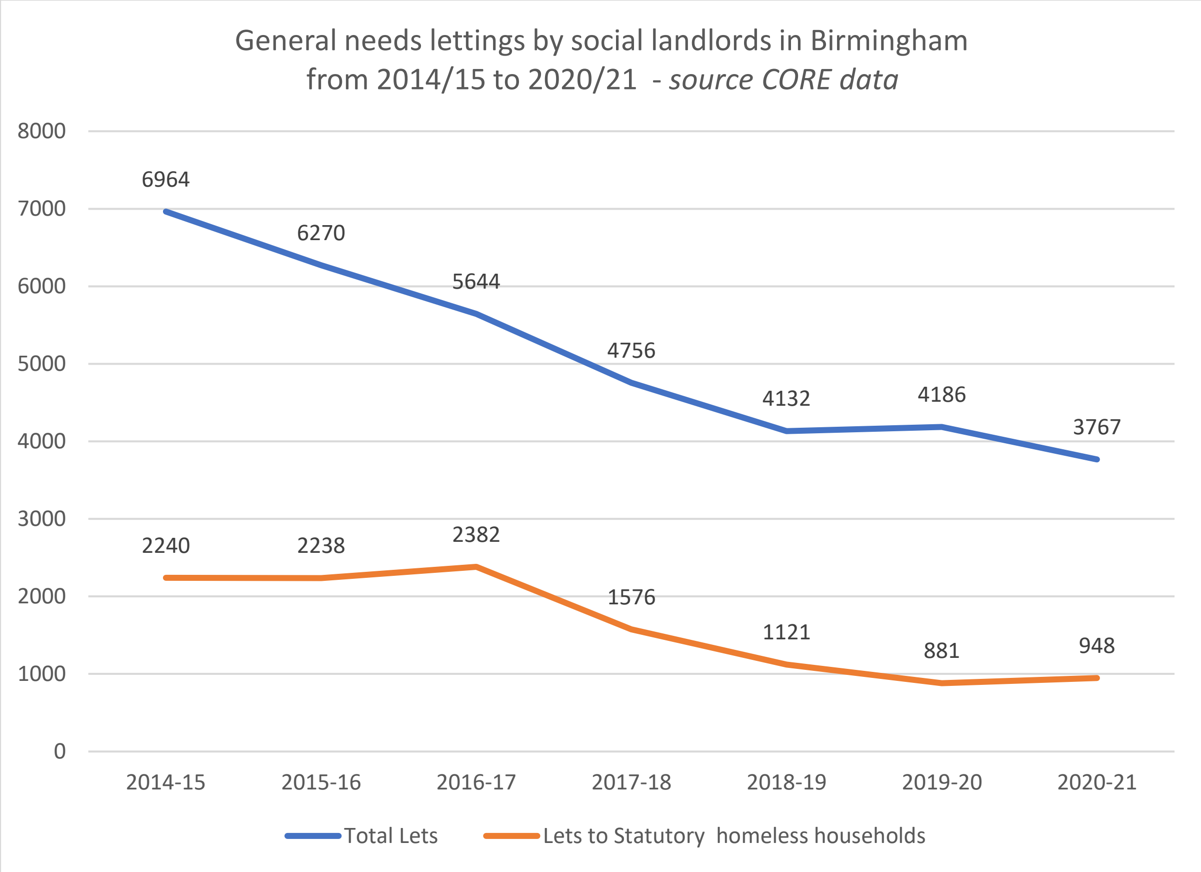
The reasons why any council would have more or less households in temporary accommodation than another therefore primarily depends on:

1. The number of households becoming homeless.
2. The composition of households becoming homeless i.e. whether they include dependent children or vulnerable adults.
3. The ability of the Council to prevent homelessness by helping households to stay in their current accommodation or move to new accommodation e.g. in the private rented sector or in supported housing.
4. The ability of the Council to assess cases to ensure that the relevant criteria are met before accommodation is provided.
5. The ability of the Council to secure settled accommodation to assist households to move on from temporary accommodation, either in social housing or in the private rented sector.

In Birmingham, as in other areas of the country, although there were unusual and countervailing trends during the Covid-19 pandemic, the underlying pressures around homelessness have been increasing over several years. This is due primarily to the reduction in the amount of social housing available to meet the needs of households with low incomes, and the reduction in the availability of accommodation in the private rented sector affordable to households on low incomes.

Mainly because of Right to Buy and low levels of social housing development, lettings by social landlords in the Birmingham fell from 9,964 in 2014/15 to 3,767 in 2020/21, with lettings to statutorily homeless households halving over the same period, as shown in Figure 2. This reduction in lettings has continued since the latest CORE figures to the present.

Figure 2.



These trends show no sign of abating. In fact, there is a likelihood that homelessness pressures will increase significantly over the next period because of the current cost of living crisis, and the continued reduction in the supply of affordable settled accommodation.

The government's recent 2022 Autumn Statement, whilst increasing most welfare benefits in line with inflation, has frozen the Local Housing Allowance rates payable for PRS accommodation for 2023/24 at the levels set in April 2020, as PRS rent levels continue to rise.

Purpose of this Strategy

This strategy is intended to inform Birmingham City Council's approach to providing accommodation to end prevention, relief, and main homelessness duties over the next several years. The intention is to set out the realistic means to achieve and sustain a radical change to the current unsustainable position, where Birmingham's use of B&B for families is easily the highest in the country.

It attempts to describe the current position in relation to temporary accommodation in Birmingham compared to other local authorities, to look at the trends in temporary accommodation use in the past and projected into the future, to analyse the costs and benefits of the current approaches the Council is taking to the provision of TA and alternatives, and to set out the actions the Council will take to develop more sustainable provision of accommodation to prevent and relieve homelessness in the future.

The Strategy is written in the context of a number of other reports, strategies and agreed actions, notably the Council's new housing solutions operating model, the current B&B reduction plan, the new Birmingham Housing Strategy for 2022 to 2027, and the recent review of the Council's housing solutions service and other services. It is also in the context of the Council's wider response to the cost-of-living crisis and the Council's commitment to Early Intervention and Prevention (EIP).

The Strategy deliberately focuses on accommodation for families with children. This reflects the Council's good performance on tackling single homelessness, including both rough sleeping and youth homelessness, where Birmingham is often cited as an area of good practice nationally.

For example, in the latest published figures from November 2021[6], Birmingham had 31 people sleeping rough on a single night, a lower figure compared to its population than London, Bristol, Coventry, Liverpool or Manchester, and well below the national average.

In contrast, for family homelessness Birmingham has seen rapidly increasing numbers of families in temporary accommodation and has by some margin the highest number of families placed in B&B in England.

Although a reduction in the number of households entering temporary accommodation through successful homelessness prevention, homelessness relief and effective case management is important to achieving a reduction in the number of households in temporary accommodation, the ways in which this might be achieved are not discussed in detail here. This is because these areas are the focus of the recent review of this area of work and the Council's Homelessness Prevention Strategy.

Similarly, the ways in which an increase in the provision of general needs social and affordable housing might be achieved are beyond the scope of this strategy but are discussed in the Council's Housing Strategy 2022 to 2027.

Regular Review

The Strategy is set over a five-year period to help deliver a sustained commitment to the interventions needed and in the context of the need to take a longer view of costs and objectives.

However, it will be reviewed regularly, with an initial review scheduled for September 2024.

[6] https://www.gov.uk/government/statistics/rough-sleeping-snapshot-in-england-autumn-2021

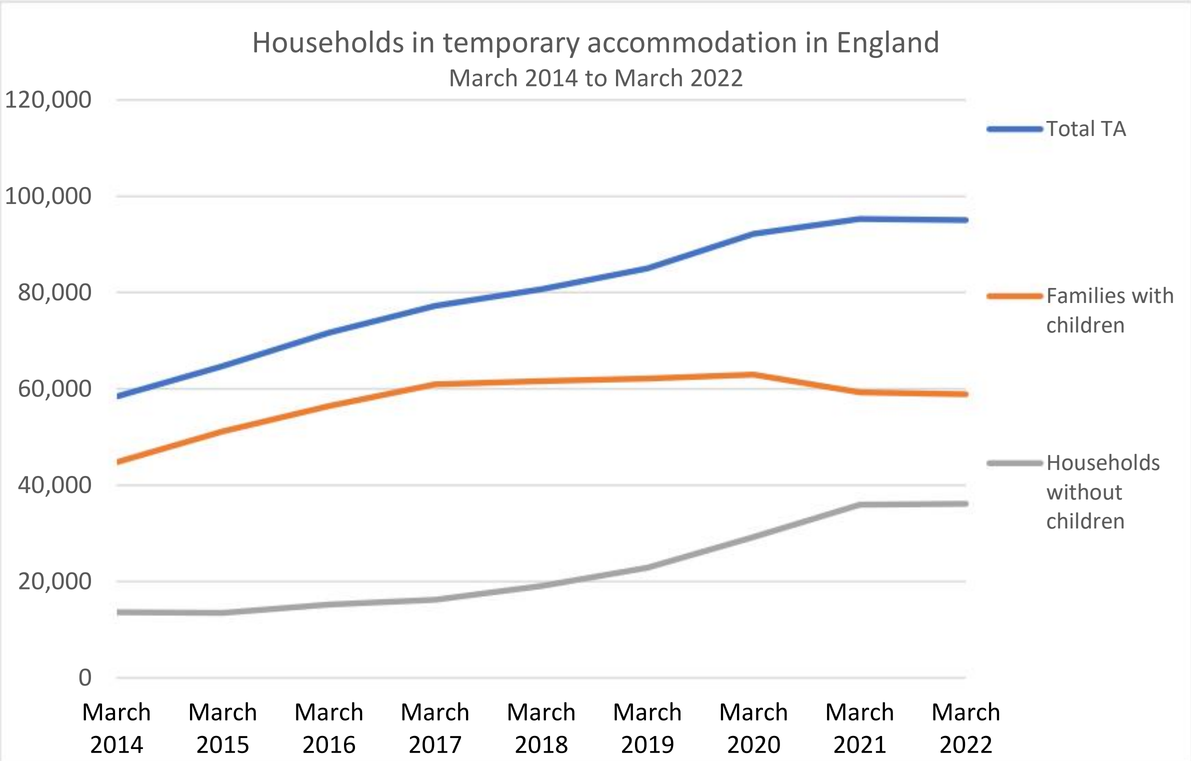
Comparison of Birmingham to other Local Authorities

Although homelessness pressures have risen across the country and there has been a rise in temporary accommodation nationally over a number of years, the rise in temporary accommodation in Birmingham has been much steeper. This has been almost entirely due to a rise in the use of temporary accommodation for families with dependent children.

Growth in temporary accommodation

Figure 3. and Figure 4. show that the total number of households living in TA in England rose by 63% and in Birmingham by 403% in the 8 years between the end of 2013/14 and the end of 2021/22 – *source national homelessness statistics*.

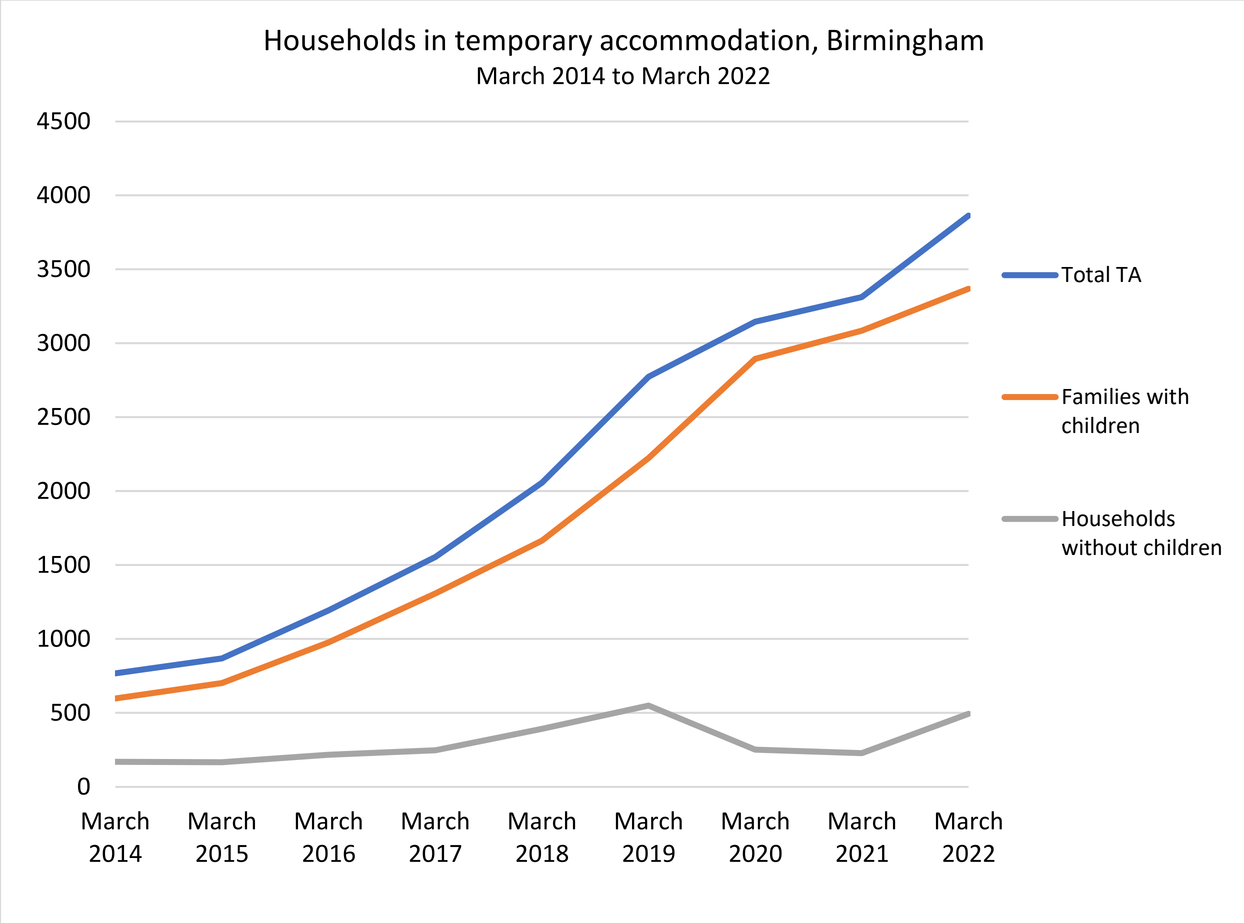
Figure 3.



Figures 3. and 4. also show that within the national total the number of families with children in temporary accommodation rose by 32% over the period from March 2024 to March 2022, with the total falling slightly between March 2020 and March 2022.

In Birmingham, the number of families in TA rose by 463%. In other words, in percentage terms, the number of families in temporary accommodation in Birmingham rose over 14 times faster than the national average over the 8 years to the end of March 2022.

Figure 4.



The number of households without dependent children in temporary accommodation rose by 165% nationally over the same period nationally and by 191% in Birmingham, an increase much more comparable with the national trend.

An unfortunate consequence of the rapid increase in the use of TA for families in Birmingham has been the continued and increasing use of B&B accommodation for families, to the point that the latest published homelessness statistics show Birmingham as having 511 families in B&B at the end of March 2022 out of a national total of 1,700 and 326 families in B&B for more than 6 weeks out of a total of 670 nationally, or in other words almost half the national total. The council with the next highest number of families in B&B for over 6 weeks in March 2022 was Croydon with, 28 such placements.

The rapid rise in TA for families in Birmingham and especially the number of families in B&B is cause for serious concern. As discussed later in this document, the Council is taking action to address the issue of B&B for families, but what do the statistics show about why the increase in family TA and B&B has been so great in Birmingham compared to the national trend?

The simple answer to this question is that Birmingham accepts a much higher number of main homelessness duties for families than any other local authority.

This, at least in part, is a consequence of the acute levels of deprivation within the city. Birmingham is the 7th most deprived local authority in England, with nearly half of the City within the bottom 10% most deprived nationally. Birmingham has a high proportion of high deprivation wards. 60 out of 69 wards have aggregated Index of Multiple Deprivation (IMD) rankings below the national average. 26 wards are in the lowest 20% nationally. The proportion of households with dependent children is higher than the national average.

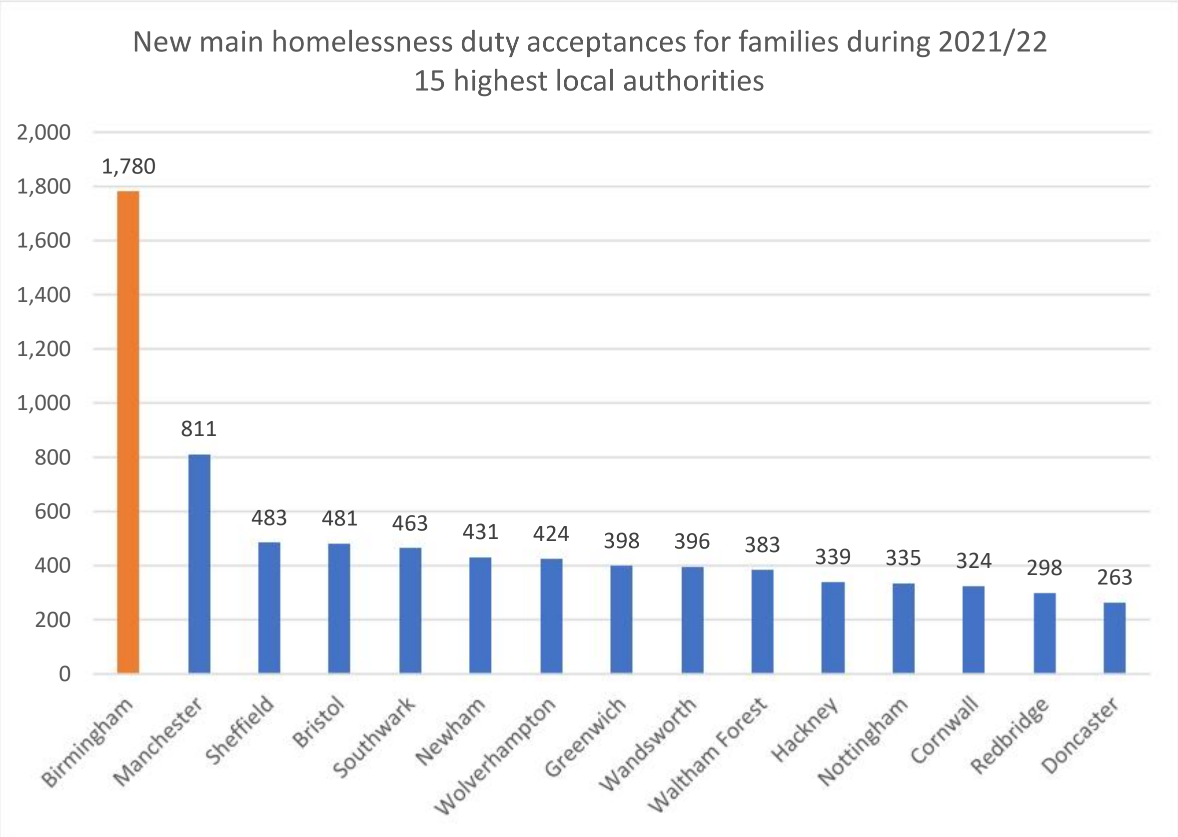
The city's population has also grown significantly over the past decade, with the increase in population of nearly 72,000, being the highest increase for any local authority in England between 2011 and 2021[7], making the shortage of accommodation for households on low incomes more acute.

Main homelessness duty acceptances

The net increase in the number of main duty homelessness acceptances is a good proxy measure for increases in the number of households in TA. In Birmingham, the large majority of households in TA are either already owed a main homelessness duty or, if initially placed while owed a relief duty, will be accepted for a main homelessness duty when the relief duty ends, usually after 56 days.

Figure 5. shows the fifteen local authorities with the highest number of new main duty acceptances for families during the year 2021/22. Birmingham's total of 1,780 is more than twice as high as the next highest local authority, Manchester, with 811. This means that Birmingham accepted a duty to provide settled accommodation for 969 more families than any other local authority in the country during the year.

Figure 5.



This does not, however, mean that TA increased by this number during the year. This is for two main reasons.

[7] Population and household estimates, England and Wales - Office for National Statistics (ons.gov.uk)

One is that a sizable number of families also moved out of TA and had a main duty ended. Unfortunately, the published national homelessness statistics are less dependable on this measure, so that a clear comparison with other local authorities is difficult.

The other complicating factor is that Birmingham has historically accepted a high number of main homelessness duties for households whom it has subsequently allowed to remain at their current accommodation or other accommodation they are able to secure, while continuing to be owed the main homelessness duty – the so called 'homeless at home'.

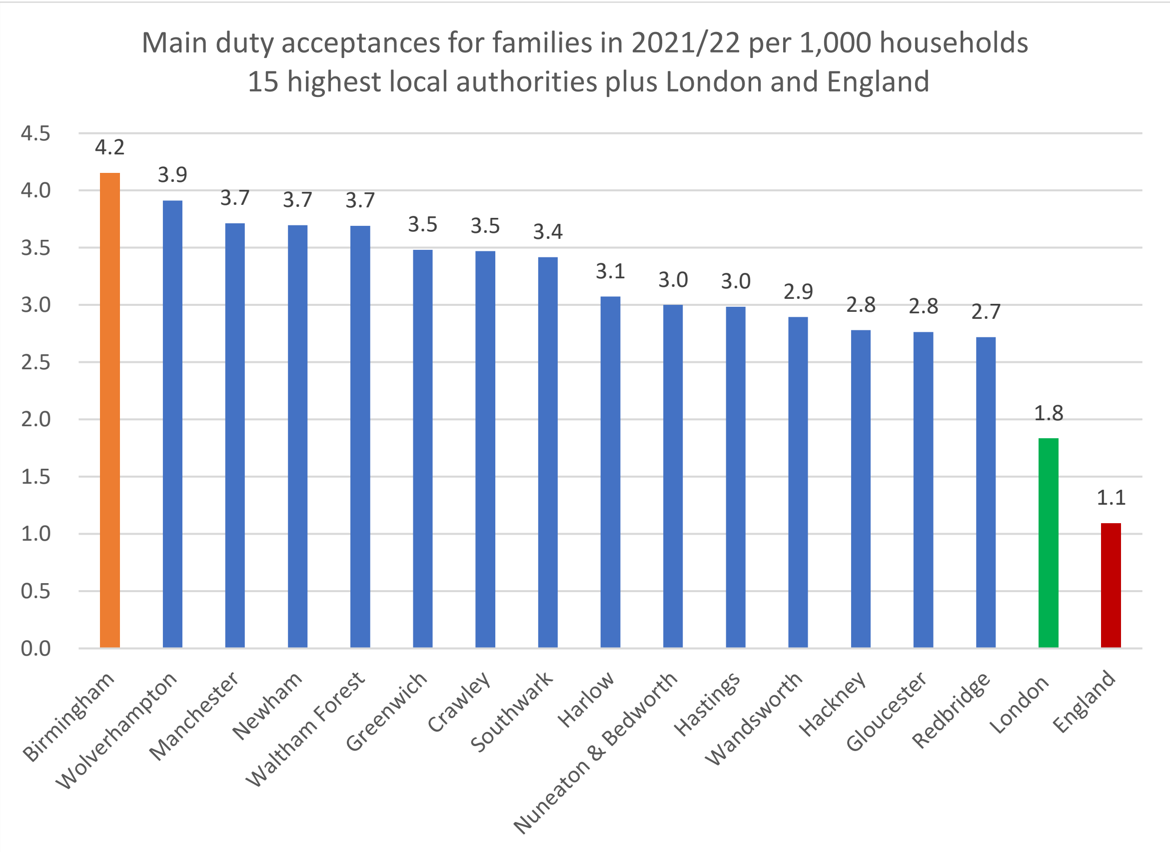
Nevertheless, Birmingham is accepting responsibility to accommodate far more families than any another local authority in England. This is partly because Birmingham is the largest local authority in the country. To get a more rounded picture it is necessary to compare the number of main duty acceptances for families per 1,000 households living in each local authority area.

These figures are shown for 2021/22 in Figure 6. for the fifteen local authorities with the highest number of new main duty acceptances for families per 1,000 households. The combined figure for the London boroughs and the figure for England as a whole are also shown.

Birmingham is again at the top of the list, with 4.2 family acceptances per thousand households. The next highest is Wolverhampton with 3.9, followed by Manchester, Newham, and Waltham Forest on 3.7. The average for London, where housing affordability pressures are generally the highest is 1.8, less than half the Birmingham total. The average for England is 1.1.

It seems clear that a successful attempt to reduce the use of TA for families in Birmingham will require a reduction in the number of main duty acceptances for families to be more in line with other local authorities with similarly high homelessness pressures.

Figure 6.



Households in temporary accommodation

The absolute number of households in TA in Birmingham was the second highest in the country according to the March 2022 homelessness statistics, as shown in Figure 7.

However, Birmingham had only the 25th highest total number (families and singles) in TA per thousand households, as shown in Figure 8. with the 16th highest number of families in TA per thousand households. This is significantly below the London average on both measures, although higher than any of the core cities except Manchester.

The real difficulty is less about the total number of households in TA. Birmingham has until quite recently had much lower numbers in TA relative to its population than has been the case in many London boroughs. The more significant problem for the city is the rapid growth in the number of households in TA, particularly in the number of families.

This has meant that even though the Council has been increasing its supply of different types of TA at a relatively fast pace, as discussed in more detail later, this has simply not been fast enough to keep pace with the growth in the number of households in TA and has meant that B&B has been used to fill the growing gap between supply and demand.

Figure 9. shows that in 2021/22, the number of households in TA placed by Birmingham grew by 551, the fastest growth of any local authority other than Wandsworth. As shown in Figure 4., this was just the latest rapid increase over a number of years.

Figure 7.

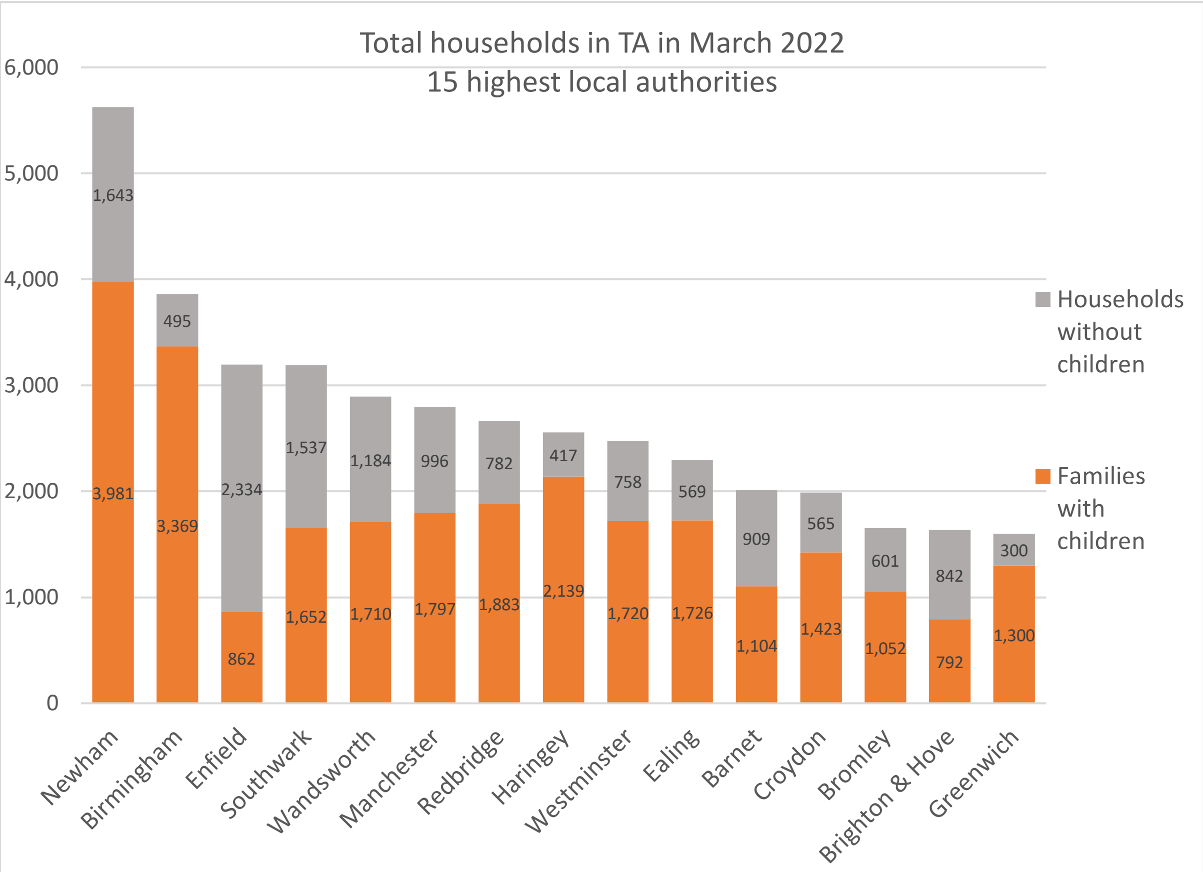


Figure 8.

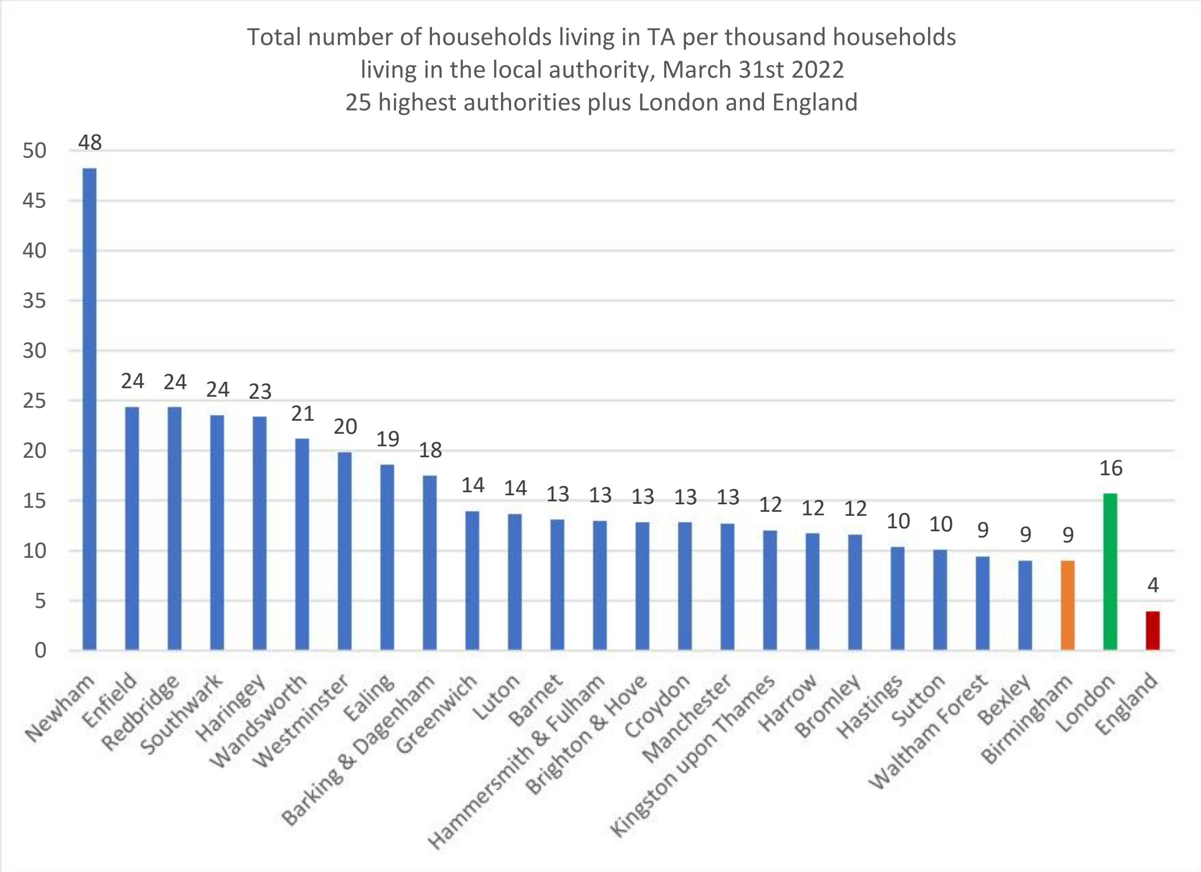
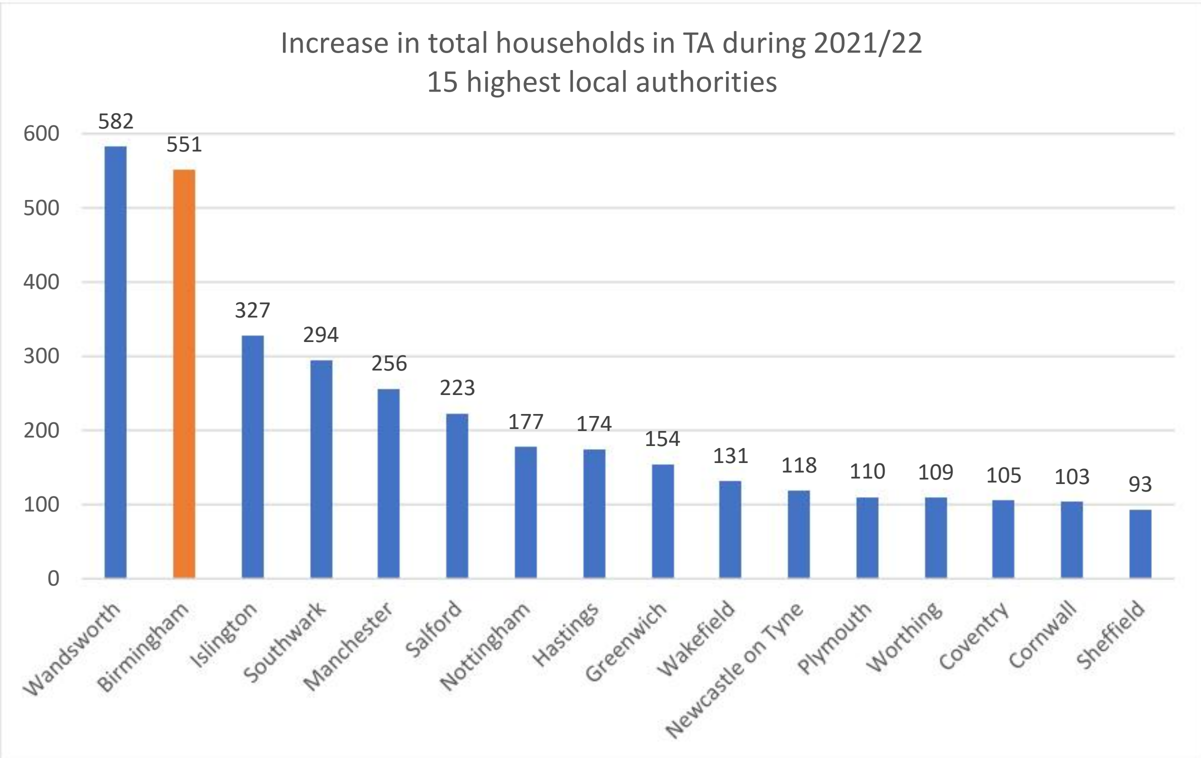


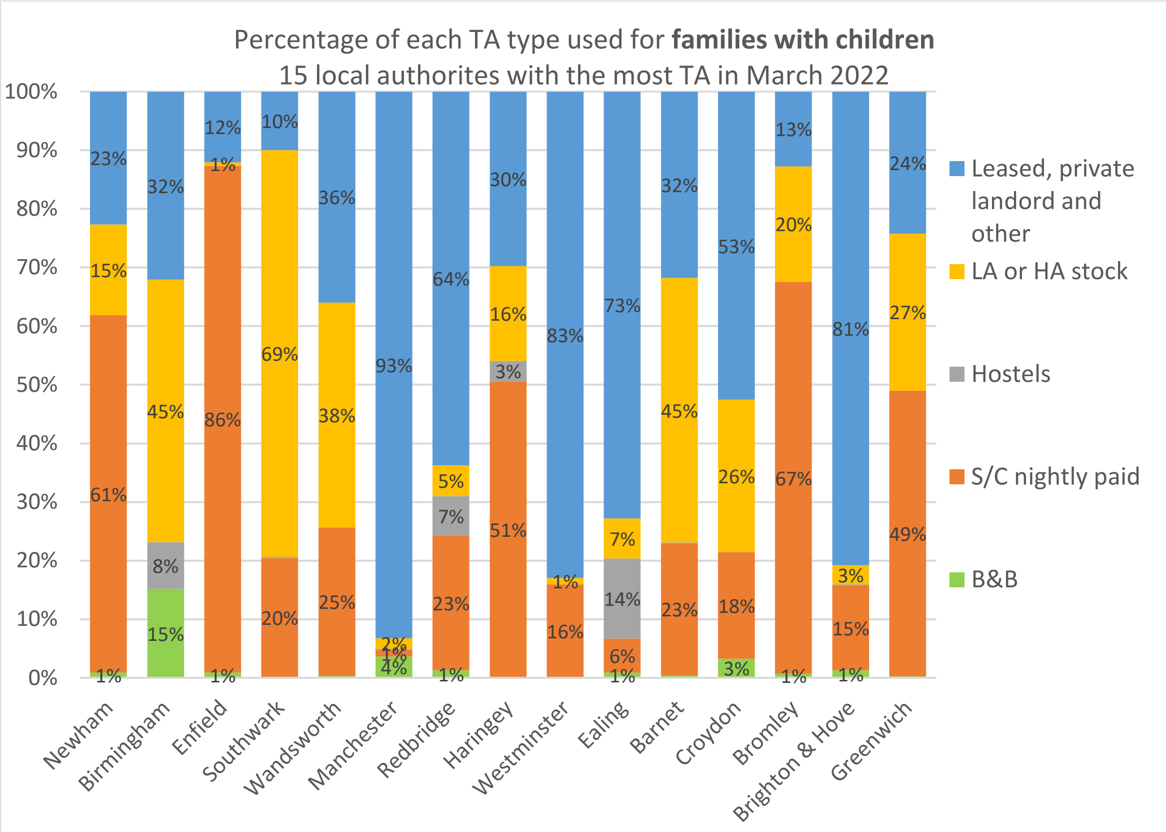
Figure 9.



Types of Temporary Accommodation

Figure 10. compares the types of temporary accommodation used for families with children by the 15 local authorities with the highest number of households in TA in March 2022.

Figure 10.



The most striking finding from Figure 10. is the variability between different local authorities in the types of TA they use.

Overall, except for the unlawful use of B&B for families, there is no clear pattern of good or bad practice, or even patterns of similarity between different types of local authority. However, looking at Birmingham compared to the rest it is evident that:

- Birmingham uses B&B for a far greater percentage of its TA for families than any of the other authorities i.e. 15% compared with 4% in Manchester as the next lowest and with most of the councils using B&B for 1% or less.

- Birmingham uses little self-contained nightly paid accommodation. This is in real contrast to many of the other councils e.g. Enfield 86%, Bromley 67%, and Newham 61% of their respective totals.

  Many London boroughs started to use self-contained emergency accommodation over ten years ago, as increased homelessness due to the introduction of the coalition government's welfare reforms would otherwise have driven them back into the use of B&B. This has led to sustained high costs compared to leased accommodation but has mostly meant that they have not had to use B&B for families over 6 weeks.

- Birmingham is one of three of the 15 councils making significant use of hostels (known as homelessness centres in Birmingham) for families, at 8% of total family TA compared to 14% in Ealing and 7% in Redbridge.

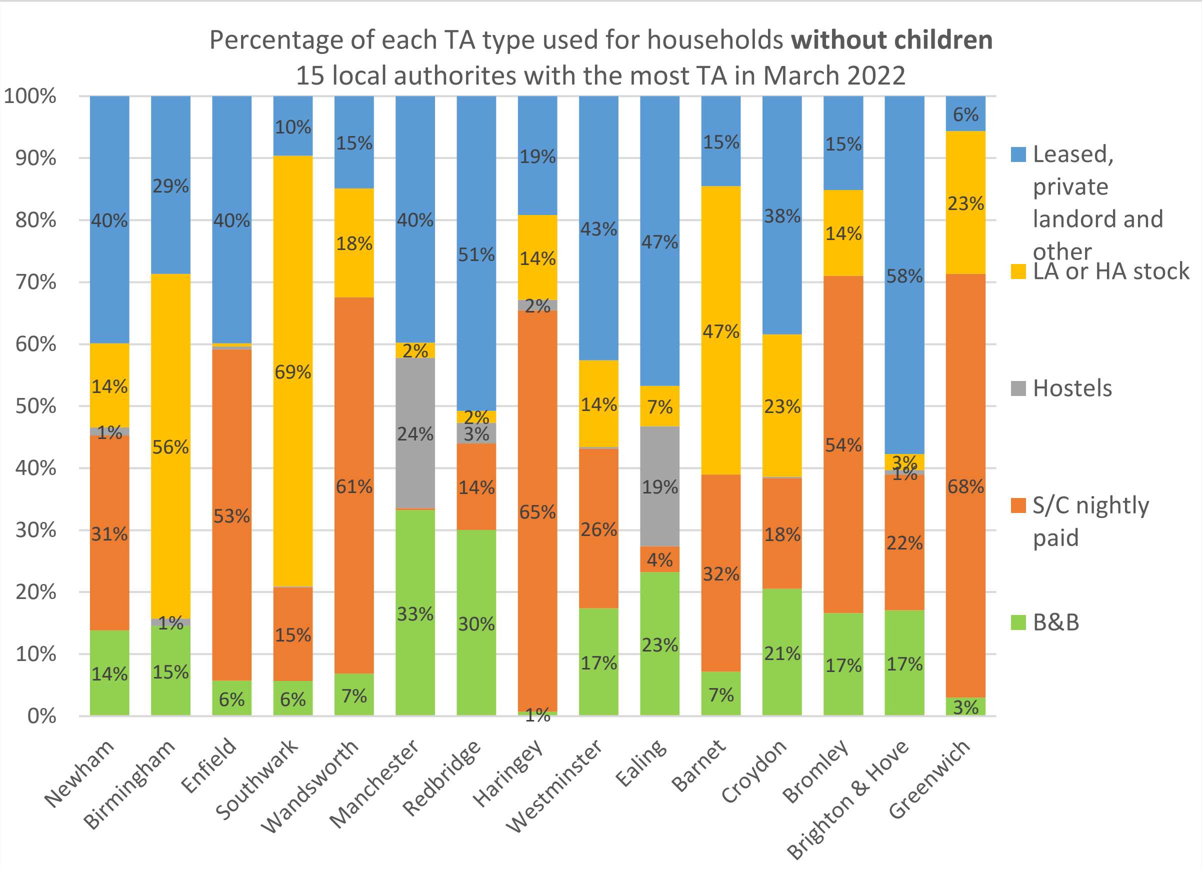
- Birmingham's use of its own stock for TA, although on the high side, is quite similar to a number of other authorities in percentage terms. 69% of Southwark's TA is in its own stock, compared to 45% in Birmingham, 45% in Barnet, and 38% in Wandsworth.

- Manchester does not make significant use of its own stock for TA but has 92% of family TA as leased from private sector landlords. Birmingham's use of leased TA is lower than most at 32% but with several councils leasing less than Birmingham.

- Adding self-contained nightly paid and leased accommodation together however, at 32%, Birmingham's total use of self-contained privately owned accommodation as TA for families is easily the lowest of the 15 local authorities except Southwark at 30%. The average use of privately owned self-contained accommodation by the 13 other local authorities is almost 74% of their family TA.

The figures for non-family temporary accommodation amongst the 15 local authorities with highest total TA is shown in Figure 11. Non-family TA is less of a concern for Birmingham, but it is interesting to note the far greater use of B&B and hostel accommodation for homeless households without children by the other local authorities than their use of B&B for families.

Figure 11.



Private rented sector accommodation

Benchmarking the number of PRS properties used to prevent homelessness, relieve homelessness, or end a main duty, based on the published statistics is difficult to do accurately, due to the way the figures are presented.

A particular problem is that the number of homelessness preventions recorded into PRS accommodation includes cases where homelessness was prevented by helping households to stay in the PRS accommodation they were already occupying.

Another issue is that the statistics do not differentiate in this area between households with or without children.

As there is less concern in Birmingham about excess use of temporary accommodation for single people, a crude comparison between local authorities for the year 2021/22 for families can be attempted by taking the sum of the homeless prevention duties ended by self-contained[8] PRS accommodation being secured, the homelessness relief duties ended on the same basis, and the number of main homelessness duties ended by the acceptance of a PRS offer.

On this basis, Birmingham ended 292 homeless duties in self-contained PRS accommodation during the year. This was the 24th highest total of the 285 local authorities who provided this information, although still well below councils like Enfield (982), Barnet (956), Manchester (872) or Leeds (859).

Looked at per thousand households, however, Birmingham compares less well. The Council ranked only just above the bottom quartile of local authorities on this basis, with less than half the number of duties ended into self-contained PRS accommodation per thousand households than the England average.

This lack of use of the PRS has been a key reason for the difficulties the Council has faced in successful prevention and relief of homelessness, compared to comparable areas.

One of the reasons for difficulties in accessing PRS accommodation is the unaffordability of PRS accommodation for households reliant on Universal Credit or Housing Benefit. Figure 12., drawn from 2022 research by Zoopla and Crisis[9] shows that the West Midlands is one of the least affordable regions in England for PRS accommodation. Only 8% of new lets were at or below LHA rent levels, with this falling to 7% of 2 beds and 6% of 3 beds.

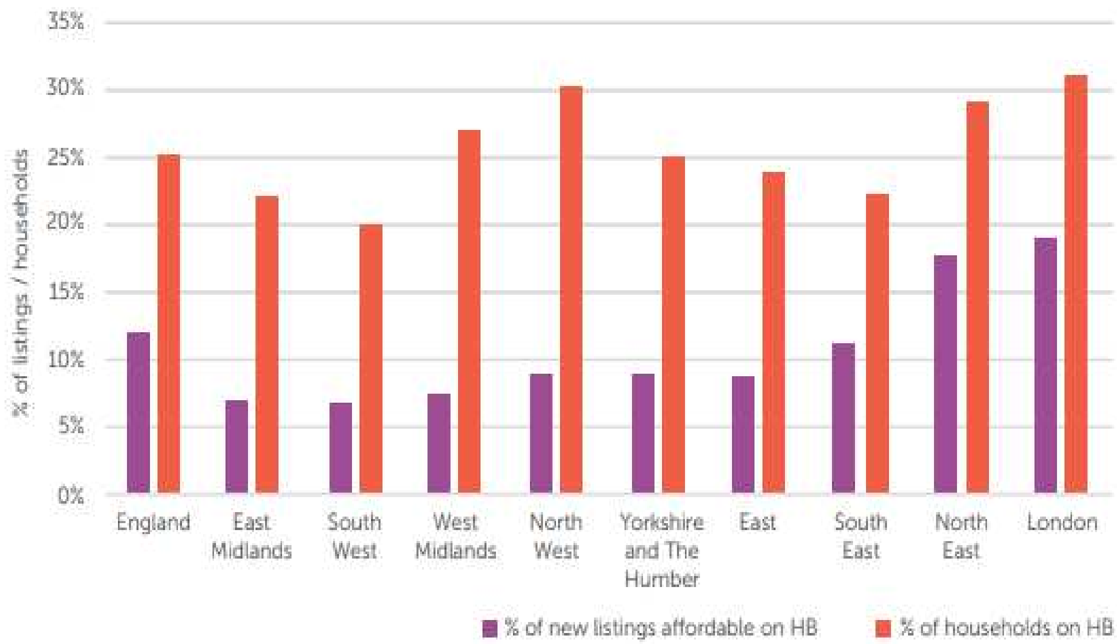
This is a significantly lower percentage than in London, where around 19% of properties listed are at LHA rents or below according to the Crisis Zoopla research and may make the relative success of London boroughs in securing PRS accommodation to end homelessness duties difficult to emulate in Birmingham.

The 2022 Birmingham PRS stock condition survey reveals that, as well as much of Birmingham's PRS accommodation being unaffordable to low-income families, poor housing conditions are prevalent in the city's PRS. The survey concludes that 23,173 private rental properties in Birmingham are likely to have a serious home hazard (Category 1, HHSRS), representing 21% of the PRS stock, and significantly higher than the national average (12%). Using the Energy Performance Certificate records, it has been possible to calculate that 17,657 PRS properties in Birmingham have an E, F, and

[8] i.e. not including HMOs or lodgings
[9] https://www.crisis.org.uk/media/247716/zoopla_briefingv6.pdf

G rating, with 2,217 PRS properties likely to fail the Minimum Energy Efficiency Standard (MEES) statutory requirement.

Figure 12. Percentage of new PRS lettings at or below LHA rents compared to the percentage of households reliant on universal credit housing element or housing benefit.



Source: Zoopla; StatXplore; ONS

Notes: % of new listings affordable to those in receipt of housing benefits calculated using Zoopla data; % of households receiving housing benefits calculated by dividing the number of households in each region receiving housing benefits (from StatXplore – February 2022) by the most recent regional data showing the size of the PRS in each region (from ONS).

Temporary Accommodation used by Birmingham City Council

Birmingham City Council uses four main types of temporary accommodation. These are discussed in order of the numbers of each type as of 31st October 2022:

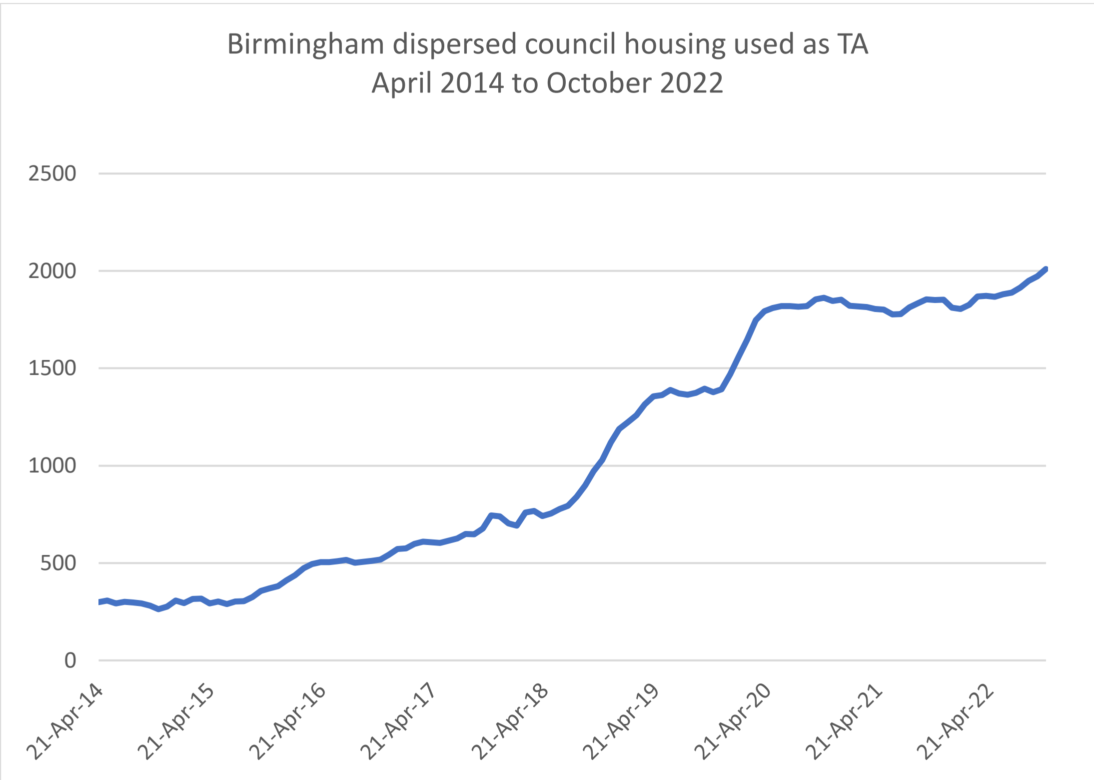
Dispersed TA – 2,013 households

These are properties within the Council's social housing stock which are let as furnished temporary accommodation instead of as settled social housing let through the normal allocations process.

The units are spread across the Council's estate and let at a significantly higher total rent than would be the case if they were let as social housing. This is due to the addition of service charges intended to reflect the fact that the properties are furnished and managed more intensively than would be the case if they were being used as general needs accommodation.

The use of council stock as TA has risen sevenfold since April 2014 as shown in Figure 13.

Figure 13.



The main advantages of using council stock as TA are:

- It is self-contained accommodation
- It does not have to be procured and can be returned to general needs use at any time
- The Council roughly breaks even on the provision of this type of TA
- If tenants become settled in the accommodation and develop local links to the area, the accommodation can be converted to a settled general needs tenancy without the household needing to move.

The main disadvantages of using council stock as TA are:

- Properties are taken away from the stock available to be let through the allocations system
- Rents are significantly higher than if the accommodation were let as social housing
- Around 50% of dispersed units let as TA are overcrowded in a way that would not be permitted for a social housing letting e.g. by requiring that the living room be used as a bedroom.

The Council's current policy is to increase the number of dispersed TA to approximately 2,400 but for that to be the limit of expansion and with an ambition for the number to reduce over the medium term.

Private Sector Leased (PSL) accommodation – 1,178 households

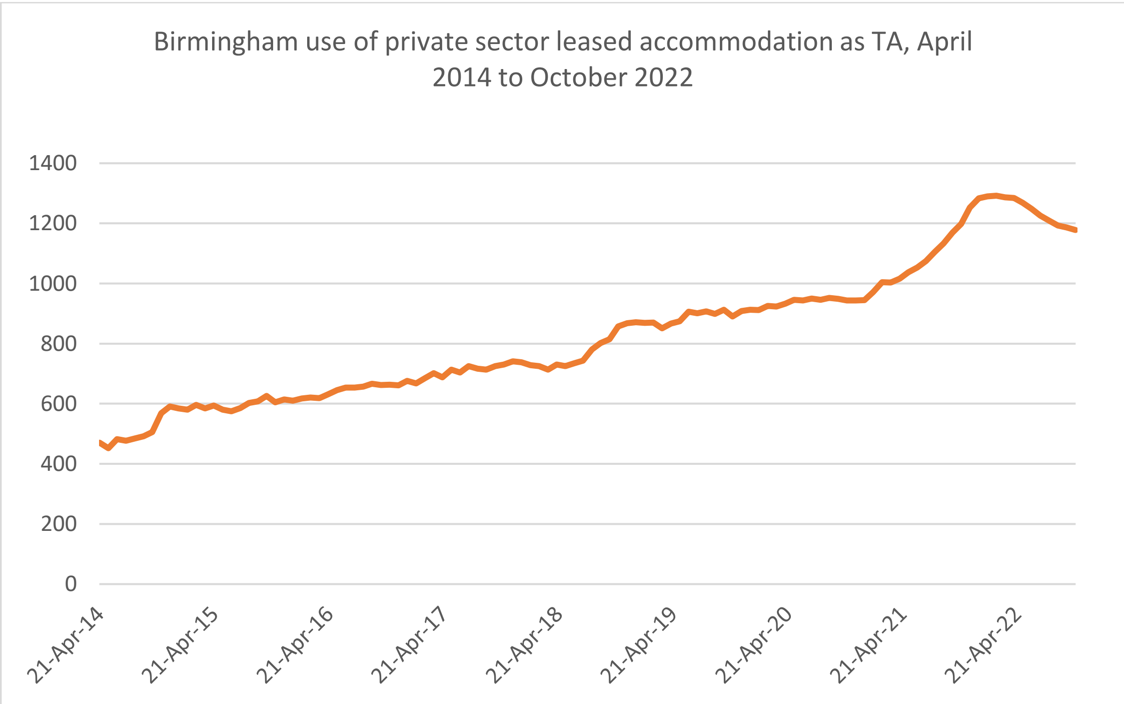
The next most common of TA used by the Council is private sector leased accommodation. This falls into two categories. Most of these properties are leased on a block contract, which has recently been relet for the next ten years, although the contract does have a break clause allowing the Council to exit at a month's notice.

In addition to this, the Council, until recently, also procured PSL property more flexibly on a framework contract. This has now been changed to a Dynamic Purchasing System (DPS) arrangement with the first properties expected to come through DPS from January 2023.

PSL works though a lease or, in the case of DPS, a license agreement, where the Council lets the property as TA and is responsible for collecting the rent and providing any support that tenants need. The PSL supplier is usually an agent which has itself leased properties from the property owners. The supplier is responsible for repairs and maintenance of the property.

The Council's use of PSL accommodation almost tripled between April 2014 and April 2022, before temporarily falling due to the transition between the old and new block contract as shown in Figure 14.

Figure 14.



The main advantages of using PSL properties as TA are:

- It is self-contained accommodation
- The Council is not responsible for repairs and maintenance, with providers responsible for ensuring that properties continue to meet minimum contractual standards
- The Council can exit when it wishes to and especially in the case of DPS has flexibility about increasing and decreasing supply when it needs to, subject to funding to increase supply being available
- PSL is the Council's best source of large self-contained accommodation, which is in very short supply within its own stock.

The main disadvantages of using PSL properties as TA are:

- Although cheaper than B&B, PSL is expensive to the Council, due to the difference between the lease rent and the rent which can be claimed from housing benefit as rent
- As the Council is leasing the accommodation, housing benefit subsidy is limited to 90% of 2011 Local Housing Allowance (LHA)
- PSL property must be procured, which in the case of reletting the block contract has been both time consuming and problematic in a number of ways.
- Around 20% of PSL property is outside Birmingham, although it is all within the West Midlands
- Around 30% of properties are overcrowded in a way that would not be permitted for a social housing letting e.g. by requiring that the living room be used as a bedroom.
- Offering landlords a PSL deal may deter them from letting properties as PRS accommodation through which the Council could end a homelessness duty. This is because PSL is usually financially advantageous and relieves the landlord/agent of the responsibility for rent collection, voids, and bad debts.

Bed & Breakfast (B&B) accommodation – 725 households, of which 440 families over 6 weeks

Birmingham City Council uses more B&B for families than any other local authority in England. B&B typically provides one or more hotel rooms for a whole household, with cooking and/or washing facilities shared with other households, or sometimes with no cooking facilities at all. Despite the name, breakfast is often not provided.

Accommodation is provided in a mix of specialist hotels catering for homeless households and commercial hotels, such as Travelodge. A considerable proportion of Birmingham's B&B placements are located outside Birmingham and sometimes outside the West Midlands.

The main advantages of using B&B as TA are:

- B&B can be spot purchased quickly and so can be used flexibly to meet demand
- Households have little or no security of tenure and so can be evicted quickly if it is determined that the Council no longer owes them a homelessness duty.

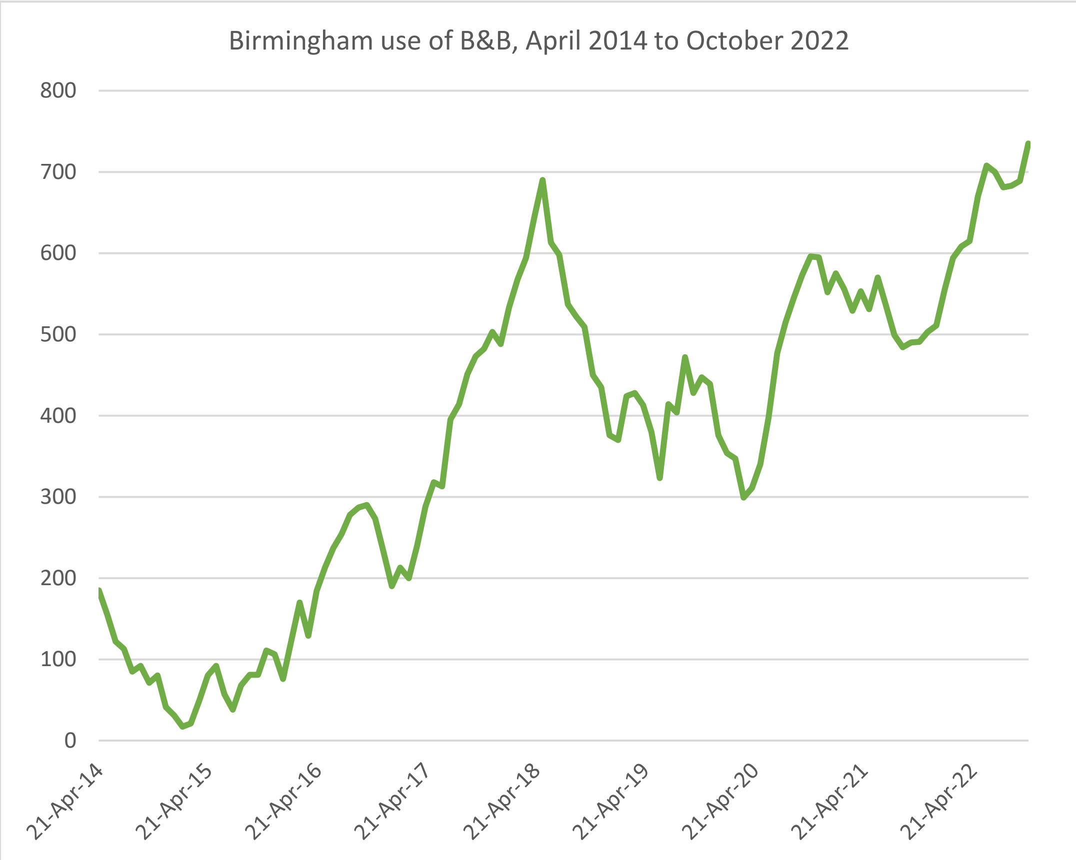
The main disadvantages of using B&B as TA are:

- It is unlawful to use B&B to accommodate homeless families, except in an emergency, and even then, for no longer than 6 weeks.
- B&B is very expensive compared to other forms of accommodation.

- The Council can only claim HB subsidy at the 1-bed 2011 LHA rate, regardless of the size of the household or the number of rooms occupied.
- B&B is of variable quality and has little or no support provided.
- B&B is overcrowded, with up to four people expected to sleep in one room, and usually no separate kitchen and dining facilities available for a family's exclusive use.
- When using commercial hotels, there are likely to be no cooking facilities.
- The Council is often unable to find B&B in Birmingham and so families may have to move at short notice for an indefinite period to places from where it is difficult or impossible to get to school or to work. Around 35% of B&B used by Birmingham is currently outside Birmingham.

As shown in Figure 15., the Council's use of B&B accommodation has fluctuated quite widely since April 2014, reflecting its flexible use to bridge the gap between the supply of other forms of TA and demand, but is currently close to a record high.

Figure 15.



Homelessness Centres – 468 households

Birmingham makes significant and increasing use of family homelessness centres as a better alternative to B&B. These range significantly in size and provide supported accommodation with shared facilities to families, very often for periods of more than a year. In 2022 a new homelessness centre was opened at Oscott Gardens in Perry Barr, in former student accommodation. Oscott Gardens has over 400 rooms to cater for up to 300 families and is believed to be the largest of its kind in Europe.

The main advantages of using homelessness centres as TA are:

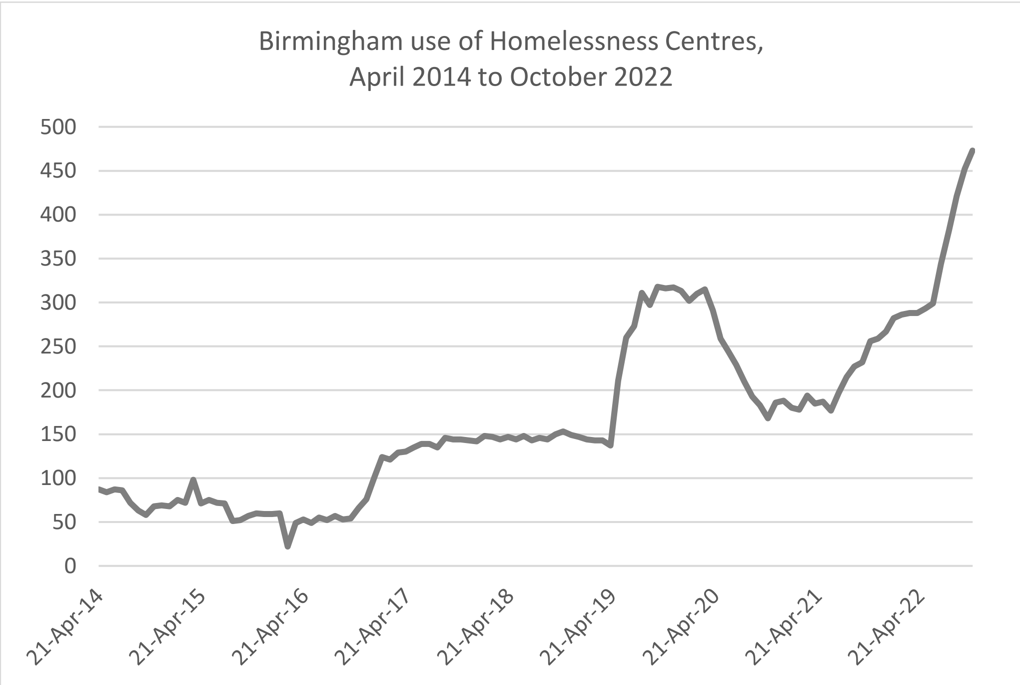
- Support is provided which may be useful to residents in accessing the services they need, and in preparation for sustaining a tenancy in settled accommodation in the future.
- Homelessness centres are relatively inexpensive to the Council, with the full costs of housing management, security and support covered by housing benefit and service charges.
- Unlike B&B, homelessness centres are lawful for families over 6 weeks, even though in Birmingham they usually only offer accommodation with shared facilities.
- All Birmingham's homelessness centres are located within the city boundary.
- Homelessness centres are generally well managed, of good quality and maintained to a high standard compared to B&B.
- Compared to B&B, more care is taken in matching households to vacant rooms to reduce problems caused by sharing facilities.

The main disadvantages of using homelessness centres as TA are:

- Families often have to share kitchen, dining and/or washing facilities with other households for much longer periods than in B&B.
- Homelessness centres are generally high occupancy, with family members often expected to share rooms.
- Homelessness centres often have rules, for example curfews and restrictions on visitors, which can be restrictive over a period.
- Homelessness centres have high rents.
- Homelessness centres can be time consuming to set up and may involve significant capital costs to purchase and/or convert the accommodation used. Conversion costs may not add to the future sale value of the property.

As shown in Figure 16., Birmingham's use of homelessness centres has quadrupled since April 2014. The significant drop in usage in 2020 and 2021 is a consequence of social distancing rules introduced in response to the Covid-19 pandemic, which mean that some homelessness centres carried significant voids during that period.

Figure 16.



Nightly paid self-contained temporary accommodation

The main form of TA not used by Birmingham, except in small numbers, but which is used at scale by many other local authorities, is self-contained nightly paid accommodation.

This accommodation is like B&B in the sense that it is spot purchased and used on a flexible basis to meet demand but is self-contained accommodation of the kind that in Birmingham would most often be leased or licensed. For many London boroughs, nightly paid self-contained accommodation is now their most common form of TA.

Interestingly in the context of Birmingham's current position, the main driver for London boroughs to start to use nightly paid self-contained accommodation was to respond to the rapid rise in homelessness which occurred following the Coalition government's welfare reforms in 2011, without resorting to the unlawful use of B&B for families. For the most part this has been successful, as can be seen by the lower family B&B numbers in London compared to Birmingham.

However, significant use of nightly paid self-contained accommodation has down sides. These are principally that costs to the Council are higher than for leased accommodation, whilst standards are quite often lower.

Also, once landlords and agents become used to the increased income, they can get from letting their accommodation as nightly paid, it can be very difficult to persuade them to return to a leasing model where their earnings are reduced – still less to let their properties to council nominees as PRS to end a homelessness duty.

Impact of the supported exempt sector

Birmingham is unusual compared to any other area of the country due to the remarkably high number of non-commissioned supported exempt accommodation properties, with 23,434 rooms reported in October 2022 within 8,511 properties, based on the number of housing benefit claims being paid by the Council.

This is a much higher figure than in any other city, with significant concerns about the quality of both the accommodation and support provided in much of the sector. The Council has determined that less than half of this accommodation is required to meet the needs of residents.

Typically, supported exempt accommodation is let as rooms in properties which might otherwise be let as accommodation for families. Although the considerable number of such properties is helpful to the Council in providing accommodation for single homeless households with the better providers, an important consequence of having such a large amount of accommodation let for this purpose is to reduce the amount of accommodation which might otherwise be available to let to families at LHA rents.

Time spent in temporary accommodation

Figure 17. shows the average length of stay in TA of current TA residents, split by the size of the settled accommodation they need.

It is possible to estimate the expected average length of stay in TA between entering and leaving by doubling this figure[10].

Figure 17.

Bedrooms needed[11]	Percentage of households in TA	Mean number of weeks in TA so far[12]	Expected mean average length of stay in TA before leaving (years)
1	7%	109	4.2
2	40%	72	2.8
3	32%	89	3.4
4	15%	135	5.2
5+	4%	142	5.5
All	**100%**	**91**	**3.5**

On this basis the average length in TA for all households between entering and leaving is estimated to be 3.5 years. As might be expected, this varies by the size of the household with larger families likely to wait longer because of the lower numbers of larger properties available to let through the allocations system.

Interestingly, households with a 1-bed need, who are usually single person households or couples without children, appear to have been waiting longer in TA on average than families with a 2 or 3 bed need. This is despite households with a 1-bed need being only 9% of households in TA, and around 45% of lettings through the allocations system being for 1-bed accommodation.

Further interrogation of the data suggests that this is because households with a 1-bed need are more likely to face an administrative barrier to moving on into social housing, such as not being registered on the allocations system or having significant rent arrears. Only 26% of households in TA with a 1-bed need have no recorded issues of this type, compared to 57% of households with a 2-bed need and 60% with a 3-bed need.

The Council has recently set up a 'Complex Case Team' to work with TA residents facing these kinds of barriers to move on.

---

[10] Based on the assumption that current residents of TA will, on average, be halfway through their stay. This is only an approximation, as it will become inaccurate if the rate of entry or leaving TA increases or decreases.

[11] There are also 2% of households in TA whose bedroom need has not yet been recorded. These have been included in the average length of stay calculation.

[12] The median number of weeks in TA for all current residents is 61 weeks – significantly less than the mean at 91 weeks.

Costs of the Council's current temporary accommodation

The estimated[13] net costs to the Council of the Council's current temporary accommodation are shown for each property type in Figure 18. These include BCC staffing costs directly tied to the management of each TA type, but do not include the wider costs of the housing solutions service, such as homelessness assessment or central management.

Figure 18.

Type of TA	No of placements at end October 2022	Annual cost per placement (expenditure minus rental income payable)	Annual void costs per placement	Annual bad debt costs per placement [14]	Annual council staffing costs per placement [15]	Net annual cost per placement	Net weekly cost per placement
Dispersed	2013	-£1,240[16]	£600	£1,052	included	£412	**£8**
PSL	1177	£5,575	minimal	£652	£448	£6,675	**£128**
B&B	725	£19,520	N/A	£1,653	£550	£21,723	**£418**
Homelessness Centres	468	£1,710[17]	included	included	included	£1,710	**£33**

Using these average weekly costs across the Council's current TA portfolio, the current net weekly cost of TA to the Council can be estimated as £485,000 per week. This is equivalent to £2.1m per month, or £25.2m per year.

[13] These costs were estimated in consultation with BCC Finance on the basis of best available data but are only estimates. More precise 2022/23 information on costs is currently unavailable due to issues transitioning to the new Oracle accounting system

[14] Annual bad debts have been estimated on the basis of the average increase in bad debts per property for each TA type of the last 4 years

[15] These staffing costs do not include the recent temporary uplift in staffing outside the housing solutions budget. Apportionment of costs between dispersed and PSL has been estimated as these are run as one service.

[16] Based on previous housing solutions service estimated used to calculate appropriate rents

[17] Homelessness centre costs have been estimated based on annual outturn costs including borrowing for refurbishment but excluding borrowing for purchase. This cannot predict the borrowing costs of future homelessness centres, however.

Current projections

Continued rising trend in both TA and B&B use

The number of households placed in TA by Birmingham City Council rose by an average of 387 per year for the 8 years between March 2014 and March 2022 and rose by 551 in 2021/22. So far in 2022/23 TA has risen by 291 from 4,063 households to 4,354 households in 30 weeks, an increase of 9.7 households per week, equivalent to 504 over a full year.

This is a slowing in the rate of increase since 2021/22, despite a rise in homelessness presentations, but is still a large rise. Over the course of 2022/23 so far, the average rate of new TA placements has been 41 per week, slightly less than the average of 43 per week in 2021/22. However, the number of households leaving TA has been lower in 2022/23 so far than in 2021/22.

A rise in the number of households in TA of 291 in 30 weeks means that the number of non B&B TA units would have to rise by at least the same number if B&B numbers are not to rise.

Despite the large increase in homelessness centre accommodation achieved through the opening of Oscott Gardens, a large enough net rise in non B&B TA has not occurred, and so B&B has continued to increase, albeit at a much slower pace than if Oscott Gardens had not opened.

Although the number of households in homelessness centres rose by 186 between April 4th 2022 and October 31st 2022 and there was also a rise in the number of households in dispersed accommodation of 142, the rise in total TA and a fall in the number of PSL units by 115 led to a rise in the number of households in B&B of 116 over the period.

This continuing rising trend in overall TA numbers means that the Council must work very hard on increasing TA supply to even stand still on the number of households in B&B. In recent years and so far in 2022/23 it has simply been unable to keep pace.

How can the rise in B&B be addressed

There are essentially six main things the Council can do to reduce its use of B&B for families:

1. **Reduce the number of households coming into TA by more effective homelessness prevention and relief and better case assessment of those presenting as homeless or at risk of homelessness.**

   This is made more difficult when homelessness demand is rising as is currently the case and as seems likely to continue, at least in the short to medium term. Nevertheless, Birmingham's position as having the highest number of main duties accepted per thousand households nationally suggests that improvement is possible.

   The Council's recent review of homelessness prevention, relief and assessment casework has resulted in a number of changes to practice in this area, which the Council is implementing, and which may be expected to have an impact.

2. **Increase the number of households moving out of TA into social rented accommodation**

   This is discussed in more detail later. There is an opportunity to increase the number of families moving out of TA into social housing by around 500 per year or more if the provisions within the current and new allocations system are used effectively. This would offset the current annual increase in TA.

3. **Increase the use of the PRS to prevent and relieve homelessness and to end homeless duties for households in TA**

   The potential to increase the use of private rented sector accommodation through an expansion of the activity of the current AFT and by the provision of leased accommodation is also substantial and is discussed in some detail below.

4. **Acquire accommodation to be used as good quality temporary accommodation or as accommodation to end a homelessness duty**

   The Council is currently piloting a £60m property acquisition scheme, seeking to purchase larger properties on the open market, through Right to Buy buybacks and through acquisition of new build accommodation to let as TA. This could be continued and expanded and/or there are a number of alternative acquisition models the Council may be able to take advantage of.

5. **Increase the supply of existing forms of TA to reduce the need to use B&B**

   The Council already has plans to increase the use of PSL type accommodation through its new Dynamic Purchasing System (DPS) procurement and could also decide to invest in more homelessness centres.

6. **Work with partners to develop accommodation specifically intended to accommodate homeless households**

   This could be achieved through new build on council or RP owned sites or through conversion of existing properties e.g. from commercial to residential or through change of use e.g. from sheltered accommodation.

We will now look at the impact of the Council's existing plans and further possibilities for action in more detail.

The Council's current plans

The Council has already undertaken or is considering a number of workstreams which are intended to reduce the number of families in B&B accommodation and, in some cases, to reduce the number of households in TA.

New Allocations Policy

The number of households moving from TA into social housing through an allocation is not reported on well by the Council's current data reporting systems. This is because the reports on the number of lettings to 'homeless applicants' include lettings to the roughly 5,000 households owed a homelessness duty who are 'homeless at home' as well as those who are in TA. Also, around 30% of those recorded as moving from TA are not recorded as homeless applicants because their priority banding was recorded as being for another reason.

In addition to these problems. the 'destination' recorded for households leaving TA on the Northgate system by TA officers is not recorded consistently. This makes it hard to track the number of evictions and abandonments form TA as well as the numbers moving into social housing or the PRS.

These data issues need to be resolved. Because of this, estimating the number of households moving from TA through the allocations system has required a bespoke data matching exercise to be conducted. This makes it hard to compare trends over time.

With these caveats, it appears that during the 35-week period from 1st January 2022 to 31st August 2022, the number of households moving from TA to social housing through the allocations system was 318, which represents 14% of total lettings during the period.

Of those 318 lettings, only 27 were to 1-bed properties. The rest went to families, with 150 lettings to 2-beds, 123 to 3-beds, 9 to 4-beds, 2 to 5-beds, 6 to 6-beds and one 8-bed letting.

This means that around 21% of lettings to family sized properties went to households in TA, with an average 8.4 lets to families in TA per week and 0.8 lets to non-families. This compares to an average of 41 households per week entering TA.

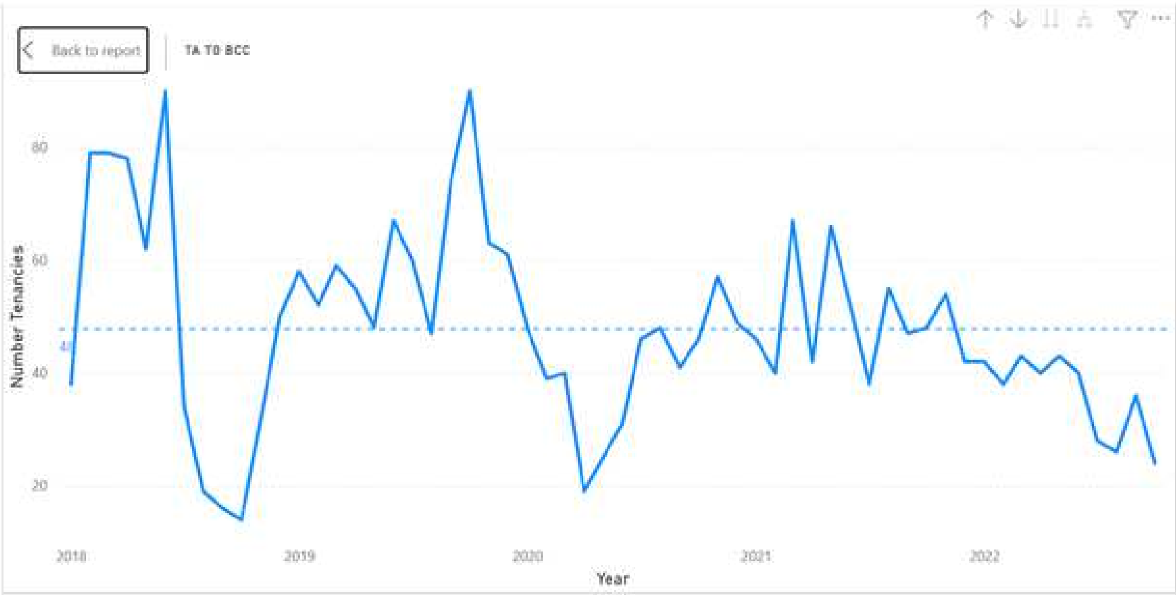
If the number of lettings to families in TA were to be increased by 10.6 per week to 19 lettings per week to families living in TA, this would equate to 988 lettings per year. This would be slightly under 50% of all lettings to family sized properties and around 30% of lettings to all properties if lettings to 1-beds were unchanged.

This is a reasonable minimum goal in the current circumstances of unlawful B&B use. By comparison, the London Borough of Brent has been letting between 60% to 80% of properties to homeless households for at least the past 7 years, a period during which Brent's use of TA fell from over 3,100 households to 1,700.

If the Council were to go further and let 70% of family sized properties to families leaving TA for a limited period of one year, this would give an estimated additional number of family moves out of TA of around 450, depending on the actual number of lettings under the allocations system.

The recent trend in Birmingham Council lettings to households in TA shows a significant fall as illustrated in Figure 19. This partly reflects a fall in the total number of lettings the Council has made. Unfortunately, this fall has been a significant contributor to recent rises in TA numbers and in the number of families in B&B.

Figure 19. Birmingham City Council lettings to households in temporary accommodation - 2018 to October 2022



From January 2023 the Council is operating a new allocations policy. All households owed a main homelessness duty or a homelessness relief duty, whether living in TA or not, will be moved from the second highest priority band in the current allocations system to the highest propriety band, meaning that anyone who has been in TA or homeless at home for a significant period and who bids realistically for accommodation should be housed.

In addition to this, the new policy mandates that anyone owed a main or relief homelessness duty in TA or not will be put forward for auto bids, meaning that if they do not bid for accommodation themselves, a bid will be submitted automatically for what the data on the allocations system determines is a suitable property.

If a homeless applicant refuses to accept an offer of suitable accommodation obtained through their own bid or an autobid, the Council's policy is to end the homelessness duty and if living in TA to evict them from temporary accommodation.

In addition to this, the Council is currently finalising a direct offer procedure by which allocations officers, working with the TA management team, can make direct offers of suitable properties to those households who have been living in TA the longest, even if they only recently completed a valid allocations system application.

Through a combination of these measures, it appears achievable that the proportion of lettings going to households in TA could be increased to between 50% and 70% of lets to accommodation which is 2-bed or larger.

If this can be achieved, then at least 500 additional lettings could be made to households in TA compared to the previous year.

This is the biggest single step that could be taken to reduce the number of households in TA and in B&B and is within the Council's ability to deliver at little or no additional cost.

In addition to auto bids and direct offers, the Council also intends to make more offers to families in dispersed accommodation to convert their existing property to settled accommodation. This avoids disruption to the household such as having to change schools and local support networks. However, it is only possible in the c. 50% of dispersed properties which are not overcrowded.

However, these new policies do have potential difficulties, which include:

- By placing homeless at home households in Band A and making auto bids for them, there is a significant risk that this group will take substantial numbers of lets that might otherwise have gone to families in TA.

- The auto bid policy for households in TA may generate significant numbers of refusals and review requests. It will require sufficient resources to process the appeals and to enforce ending homelessness duties and evictions from TA.

- Some families with children evicted from TA will become the responsibility of the Children's Trust under s17 of the Children Act, thus potentially increasing pressures, and costs in that area.

- Increasing the number of lets to homeless households decreases the number of lets to households in other priority groups.

- There is a risk that, over time, increasing the proportion of homeless households who are allocated social housing will encourage more households to make a homelessness application.

- Moving more households out of TA will increase the demand on staff to let the TA voids created and increase the volume of void works.

- For conversions of dispersed units to settled tenancies: unless the accommodation is immediately replaced by another dispersed unit let as TA, there will be no freeing up of available accommodation to house a homeless family.

It is therefore imperative that the process of increasing move on from TA into social housing is well managed and has the necessary staffing resources to be able to be well managed.

Caseloads of TA move on and support officers are currently over 100 per officer. There is a compelling case for devoting more resource to this area of work if the crucial goal of achieving more move on from TA is to be achieved.

Accommodation Finding Team

After years of minor engagement with the private rented sector as a source of accommodation to end homelessness duties, the Council has significantly increased its activity in the area from early 2022, with a new AFT now established, which has now reached 14 FTE staff.

The team is now able to offer incentive payments to PRS landlords of up to £3,000 plus free insurance in return for a 2-year tenancy at LHA rents. The team also provides initial support and troubleshooting to landlords in line with good practice established in other areas across the country.

It is still quite early days for the AFT and it is hard to be sure how many properties they will be able to secure in the future. The largest number of lettings in any week so far has been 9, with the average since March 2022 at 3 lettings per week.

There is some evidence of a rising trend however, and the team is also collaborating with some larger landlords who may be able to offer access to properties at a greater scale.

The average cost to date of landlord incentives and insurance per letting has been just over £2,500 per property.

Based on this rising in the future to £3,000 per property and a staffing cost of £635,000 per year for the team, and on the estimate of an average 5 lettings per week in the future[18], this equates to a total cost per letting of £5,442, if households do not represent as homeless.

This cost can be compared to an estimated avoided cost of 3 years in TA[19], including 14 weeks in B&B and the rest of the time in PSL accommodation, of £24,000, if the letting had not been made, calculated based on the weekly costs in Figure 18.

Compared to the marginal cost of providing temporary accommodation, the AFT team therefore represents extremely good value for money, even at the low procurement rate of one property per officer every 3 weeks.

In broad terms, every letting through the AFT has the potential to save the Council £18,000, even at the current rates of procurement per officer.

Property Acquisitions Scheme

The Council has also in 2022/23 begun work on a £60m property acquisition programme to acquire around 200 units of larger sized family accommodation (3 bedrooms and 4 bedrooms) within the general fund, using Public Works Loan Board (PWLB) borrowing as the main source of funding. Properties are purchased over 40 years and let as TA at dispersed accommodation rent levels, as this significantly aids viability compared to letting at LHA rents.

Sourcing of the properties and legal procedures are conducted by external procured providers. Any necessary renovation or improvement works are completed by the Council’s existing maintenance contractors.

The original business case for the acquisitions scheme were based on a PWLB interest rate of 2.2%.

Independent analysis by Structured Solutions, shown at Annex 2. demonstrates that the current scheme based on borrowing at 2.2% as envisaged in the original business case breaks even operationally on the basis of acquisition, renovation, maintenance, and interest costs. Repayment of the principal would be expected to create a significant net asset for the Council assuming 2.5% inflation in property prices, costs, and rents from year 6 of the programme.

However, in practice, interest rates have risen very significantly, and properties are in fact being purchased based on current PWLB rates at the point of acquisition.

---

[18] If the rate of acquisitions were to be 3 properties per week, then with £3,000 incentive payments, the cost per letting rises to £7,070 giving a reduced estimated saving of approximately £17,000 per let.

[19] Based on the calculation of an average stay of 3.5 year in Figure 17., with a reduction for caution.

The programme has therefore primarily been modelled in Annex 2. based on a 4.6% PWLB interest rate which is applicable at the time of writing following the recent rises in Gilts[20] and is the current cost of the programme.

This shows a total weekly operating loss of £173 p.w. including interest repayments, repayment of principal, management, maintenance, voids, and bad debts.

This is more expensive than any form of TA than B&B, but costs substantially less than B&B. It could be argued that the programme is therefore justified by B&B savings alone.

However, a more appropriate comparison over the longer term may be with the costs of PSL.

Taking away the costs of repayment of principal from the total operating costs, the year one costs are £124 per week, compared to £128 per week for PSL, but with the acquisition scheme offering benefits of greater control in terms of type, location, and quality of accommodation.

As the debt is amortised, costs excluding debt repayments for the acquisitions scheme fall to £90 p.w. by year 10 and fall further thereafter.

By contrast, previous experience would suggest that costs to the Council of PSL accommodation are likely to increase, with, for example, the current PSL block contract linking lease payments to CPI inflation.

Impact of inflation

The cost of the acquisition scheme over time is dependent on the inflation assumptions made.

Assuming rents and costs increase at the same rate of 2.5% p.a. from year 6 onwards results in the net cost of the acquisition scheme declining over time (given the fixed interest rate associated with the initial borrowing). The scheme becomes breakeven, excluding debt repayment, in year 22 (year 31 with no inflation).

The impact of inflation is also significant in terms of the value of the net asset generated by BCC. Assuming house price inflation of 2.5% p.a. from year 6 onwards, leads to the value of properties acquired at an initial cost of £60m increasing by over £75m[21] in nominal terms over the subsequent 40 years, a factor that potentially offers additional value for money to the acquisition scheme versus other TA sources, which have equivalent revenue costs but where no asset is generated over time.

Although the value of the asset generated cannot be properly shown within current general fund accounting rules, it could be realised at any point by moving the properties into the Housing Revenue Account or by sale, for example to a housing association or other investor who might be willing to continue to let them to assist with meeting housing need.

---

[20] 'Gilts' are fixed-interest loan securities issued by the UK government

[21] Annex 1. shows an investment of £80m increasing by £100m as an illustration of the proposal to extend the programme set out below.

Additions to current plans

External context

The future number of households accommodated in temporary accommodation will be heavily influenced by factors which are outside the scope of this strategy and in some cases outside the Council's control. These include:

- The amount of new social and affordable housing developed within the city, an issue which is addressed in detail in the Council's wider Housing Strategy.
- The continued loss of social housing lets due to Right to Buy.
- Changes to future Local Housing Allowance levels and how these impact the availability of PRS accommodation to households on low incomes.
- Improvements to security of tenure and regulatory standards in the private rented sector. Forthcoming legislation in this area should reduce evictions from the PRS and improve the quality of the sector, but may also accelerate the current trend of PRS landlords selling up and leaving the sector, and cause other landlords to increase rents to match their increased costs.
- The introduction of large scale PRS selective licensing in Birmingham.
- Changes to the supported exempt sector, especially if government legislates to give the Council greater ability to close surplus and unsuitable provision.
- Changes in homelessness because of increases in the cost of living and below inflation income growth.
- Increases in homelessness due to higher mortgage interest rates.
- Increasing homelessness among Ukrainian and Afghan refugees.

Overall, the projections for the next few years on homelessness look bleak, both nationally and in Birmingham, with many negative trends and few positive ones in the supply and affordability of accommodation for households on low incomes. Significant rises in homelessness and temporary accommodation use are widely predicted across the country.

Nevertheless, there are a number of further measures the Council is considering, which will help to reduce and eliminate the use of B&B for families in these challenging circumstances, and which over time can both reduce the overall use of TA and help to contain costs.

Leasing properties to end a homelessness duty in the private rented sector

Following discussions with the Department for Levelling Up, Housing & Communities (DLUHC), the Council was expecting to receive a £3.8m capital grant in 2022/23 to be used to support a new PRS leasing scheme through which homelessness duties could be ended in the private rented sector.

This scheme would differ from the current PSL arrangements in a number of respects:

- Instead of the Council leasing properties to be let as TA at 90% of the 2011 LHA rate, properties would be leased by a partner, following a procurement exercise.

- The leases would be at a target lease rent of LHA, or if possible, below, and would last for between 5 and 10 years.

- Instead of the lessor having management and maintenance responsibilities, these would lie with the Council's partner, making this a suitable scheme for absentee landlords wanting a guaranteed income with no management responsibilities

- The Council would end homelessness duties into the accommodation.

There are some indications that there could be demand from landlords for such a scheme, including some organisations the Council is in discussions with, who might want to purchase accommodation to lease on this basis. However, this does have to be considered in the light of rapidly rising market rents, and take up is not certain.

The cost of the scheme to the Council based on LHA lease rents and properties being let at LHA rent levels is estimated at around £75 to £80 per property per week. This is not an insignificant sum but is significantly less than the costs of PSL at around £128p.w.

There is a possibility that the scheme could collaborate with the owners of the excess supported exempt accommodation within the city to bring properties into use as family accommodation.

With DLUHC support these costs could be reduced. However, recent changes in ministers and financial pressures on government mean that at the time of writing it is unclear if the expected £3.8m will be forthcoming.

Guaranteed Rents

An option to increase the attractiveness of the current AFT team offer and to attract more landlords would be to offer landlords a guaranteed rent scheme. In this arrangement, the tenancy, housing management and maintenance is with the private sector landlord, but the rent would be collected from the tenant by the Council using the Council's existing rent collection infrastructure.

This approach has been successfully applied by a number of councils across the country and helps to reduce the landlord's risk, as if rent is not collected this falls to the Council.

Variants which could improve the offer, but also increase the cost, include the Council paying landlords rent e.g. 3 months in advance and the Council paying a higher rent than the LHA level rent which can be collected from the tenant.

Further property acquisitions

Subject to availability of capital, based on the analysis summarised in Annex 2., there would be clear advantages to the Council scaling up and continuing its current property acquisitions scheme.

Over time this could lead to the Council owning or controlling a substantial portfolio of properties with an increasing long term asset value, and would reduce long term reliance on hoteliers, private landlords, and agents liable to increase their costs over time.

Street property acquisitions are necessarily limited by the number of properties coming on to the market, and the need not to distort the market by over purchasing.

There are also opportunities through RTB buybacks, off plan purchases from new developments and purchase of surplus housing association stock, which could be part of the approach.

As well as an expansion and continuance of the current in-house acquisitions scheme, the Council is in discussion with a number of organisations with an interest in working as partners on property acquisitions approaches.

These may be able to complement and add significant scale to the Council's own scheme. It is of course important to try to avoid different approaches competing to purchase the same properties.

Purchase/conversion/development of accommodation for use as homelessness centres

There are also opportunities to create new homelessness centres in a variety of ways. These include:

- Purchase and conversion of existing buildings, such as the recent Oscott Gardens homelessness centre which has converted former student accommodation to over 400 units of homelessness centre accommodation.
- Renovation and repurposing of existing council blocks, such as the Barry Jackson Tower homelessness centre.
- Purchase and conversion of hotels to homeless centres.
- Development of council owned or purchased sites to create homelessness centres. New build development, including the use of modular construction methods, has potential to create better quality, purpose built, self-contained homelessness centres with less need for shared facilities, and the opportunity for dedicated children's play areas, homework areas etc. However new purpose-built developments usually requires a longer time scale than the other options listed.
- Working with housing association or other partners to convert or develop homelessness centres.

The creation of new homelessness centres held within the general fund has the twin advantages of being potentially cost neutral to the Council and being able to bring on a large number of new units quickly.

However, such accommodation is usually only suitable for short term use by any individual family, due to high occupancy levels, use of shared facilities, reduction of independence and high rents involved.

Boosting the supply of DPS accommodation

Although accommodation acquired through the new DPS scheme is expensive compared to PRS accommodation and compared to PRS leasing, as described above, it has the advantage of being flexible, with properties only taken on for as long as the Council wishes to do so, and is much less expensive and more suitable than B&B.

DPS accommodation is also preferable to new homelessness centre accommodation because of the greater independence and space provided, which gives the opportunity for residents to live a more normal life.

DPS accommodation also could be increased quite rapidly if the prices paid are attractive to landlords and agents.

Given the absolute imperative to stop using B&B for families as soon as possible and the financial benefits this will bring, there is therefore a compelling case to make for increasing the supply of DPS accommodation more rapidly and by a greater overall number than had been planned for.

In practice, this would mirror the work done by the London boroughs a decade ago to avoid increasing their use of B&B following the Coalition government's welfare reforms, where a rapid increase in the use of self-contained nightly paid accommodation took place.

DPS has the advantage over spot purchased nightly paid self-contained accommodation that there is some competition on price through the DPS procurement exercise and there is also a greater ability for the Council to ensure that accommodation meets minimum standards.

Modelling alternative scenarios

Problems with the Council's projections to date

The Council has completed a significant amount of modelling of how B&B may be reduced over recent years, based on expected demand trends and the impact of the various measures the Council has put in place to help tackle the problem.

Despite best intentions, the predictions from these models have been too optimistic, and both B&B and temporary accommodation have continued to rise, with the result that the Council continues to have record number of families in B&B and that budget predictions have not been met, primarily because of continued B&B use.

The reasons for the predicted falls in B&B not yet being achieved may be broadly summarised as follows:

1. Despite significant extra resources given to frontline homelessness prevention and case work services, reductions in the number of main duties accepted have been small to date.

   This area of work is considered in some detail by the recent review of this activity. Part of the problem is that the level of resources in this area of the service was so low until recently that a proportion of the newly increased staffing resource has been used to clear backlogs.

2. The number of households moving on from TA into social housing has fallen in 2022/23. In the calendar year so far, only 14% of lettings through the allocations system went to households in TA, and this is exacerbated by a fall in the overall number of lettings through the allocations system in 2022/23.

   This is partly because around 45% of lettings are 1-beds and not suitable for families in TA. However, only 21% of lettings of family sized properties went to households in TA, despite the emergency situation in B&B.

   The reasons for this are again partly due to a historical lack of resources for TA management and support, leading to large numbers of families in TA either not bidding or not eligible to bid for accommodation through the allocations system, and a lack of resources to address this until very recently.

3. The Council has historically not made significant use of the PRS to prevent and relieve homeless for families and is only beginning to do so now. This is important because families have had to be placed in TA or remain in TA who could have been offered PRS accommodation.

   It is also important because the realistic expectation of a homelessness duty being ended in the PRS can function as a deterrent to any households who may be presenting as homelessness in order to secure social housing, either after a period in TA, or in many cases after a period as 'homeless at home'.

The successful use of PRS accommodation and the consequent ‘breaking of the link’ between homelessness and access to social housing has been key to many of the local authorities who have been successful in reducing or containing TA use over the past two decades.

4. The use of PSL has temporarily fallen in 2021/22 because of issues with the procurement and implementation of the new PSL block contract.

5. The planned rise of 300 in the use of dispersed accommodation has been slower to implement in practice.

6. The quality of available data has been poor, partly because of systems issues, but also partly due to lack of consistent recording of activity.

   This situation is now improving significantly, with the recruitment of a data specialist and the adoption of Power BI but has led to repeated instances of the housing solutions service believing things were going better than they really were, because of inaccurate reporting.

7. The slower than anticipated start to the property acquisitions programme.

8. The delayed implementation of the DPS scheme.

9. The delayed implementation of the new allocations policy, because of IT issues.

10. The delayed opening of the new Oscott Gardens homelessness centre, which is also accommodating fewer families than predicted, because of the families accommodated being on average larger than expected.

Some grounds for optimism

In some respects, the above reasons for worse than expected performance on B&B give grounds for some optimism about the future, as they have largely been the result of positive changes being delayed, rather than a lack of measures being taken:

- The increased resources to the frontline housing solutions service now means that caseloads are around 1:40, which is reasonable when benchmarked against other local authorities. This, coupled with the recent training of new staff, and the introduction of a comprehensive homelessness prevention toolkit, has the potential to lead to significantly improved performance.

- The recent increases in staffing for TA support and move on, combined with the new allocations policy, better data on households in TA and new procedures for making direct offers and tenancy conversions should lead to a step change on the number of families in TA moving on into social housing in the near future.

- The AFT team is beginning to establish itself in the local housing market, with lettings currently on an upward trend, and with increased opportunities in the future because of access to more generous incentive payments, and the potential to offer leasing and guaranteed rent options.

- This in turn would make a ‘find your own home’ scheme more viable. Such schemes are used successfully by many councils and involve homeless families being encouraged to source PRS accommodation themselves, which can then be secured through financial incentives or guarantees from the Council. This could potentially double the number of properties found by the AFT team. However, it remains true that any PRS access at LHA rents in Birmingham is exceedingly difficult in the current climate.

- The PSL block contract delays are now resolved and the DPS procurement is set to commence within a few weeks, which should increase the supply of self-contained TA.

- The number of new dispersed properties has begun to increase significantly, with a net rise in let properties of 130 in the 4 months to the end of October 2022, representing an average increase of over 7 households per week over this period. However, this rate of increase may be slowed if the policy of converting dispersed properties to settled accommodation picks up pace in the coming months.

- The property acquisitions scheme has now delivered it first properties to let and is on course to deliver around 12 new lets of 3, 4 and 5 bed properties per month if current trends continue.

- The new allocations policy goes live in January 2023. This will place households in TA in Band A, giving them much higher priority for new lets, and with the option of auto-bidding and direct offers in place to help move households who do not bid realistically or who are blocked from bidding for administrative reasons which can be overridden.

The Council has therefore deployed or set in train a number of important initiatives and a significant body of work which should be of assistance in reducing B&B and in reducing costs, and is either beginning to bear fruit, or is expected to do so soon.

Modelling some scenarios

The history of TA and B&B increases over recent years despite the Councils efforts coupled with expected rising homelessness demand in the short and medium term makes it important to question if these measures will be sufficient.

Five scenarios are set out below showing monthly data for the different types of TA, B&B for families over 6 weeks, and the total costs of both temporary accommodation and where relevant the alternatives to temporary accommodation which have been used.

In each case the number of households in B&B is calculated on the basis that B&B will be used to make up the shortfall between the number of families needing accommodation and the amount of accommodation available.

The data and assumptions for the five scenarios shown and four additional scenarios is set out in Annex 3.

A note on costs

The costs of different forms of temporary accommodation in the modelled scenarios are based on the costs in Figure 18.

The main exception to this is the cost of property acquisitions. As discussed above and in more detail in Annex 2., the costs of property acquisitions can vary from being as high as £173 p.w. to making an operational surplus and generating a significant asset, depending on the assumptions made and the accounting rules adopted. Costs also vary over the years in a non-straightforward way.

For the purposes of this model, two options have been presented: one where the net cost of property acquisitions has been assumed to be zero and another where the net cost of acquisitions has been assumed to be £124 p.w. (£537 p.m.) on the basis that this is the net year one cost excluding repayment of principal, and that this cost only reduces slightly over the first few years following purchase.

Which assumptions are used makes a being difference to the headline value for money of property acquisitions, but they are better value for money than B&B in all scenarios.

It has also been necessary to make assumptions about the costs of addition PRS accommodation. Current costs can be assumed to be £138 per month based on a £4,985 upfront payment being equivalent to a 3-year avoided stay in TA. However future PRS costs could be higher if incentives need to be increased, and in the case of PRS leasing could vary from zero to £4,000 per year depending on the type of leasing model used. For the sake of simplicity, it has been assumed that monthly costs of additional PRS accommodation would be £2,000p.a. i.e. £167 per month.

All the assumed costs are subject to change over the 5-year period being modelled and can only be treated as estimates.

A. Scenarios with stable demand

Scenarios 1. to 5. are based on the premise that the number of households admitted to TA remains the same as the average for the first 7 months of 2022/23. This could be because homelessness demand remains stable but could also represent the position if demand increases but this is mitigated by more effective frontline casework following the recent review.

It is also possible that the number of new households entering TA will fall. This would lead to better outcomes than the modelled scenarios.

Scenario 1.: Current Plan with Stable Demand

This is based on work the Council already has in train. It does not include an increase in PRS from the AFT team, which if it were to occur, would improve the modelled position, but which is hard to be certain of.

In this scenario:

- The number of new households entering TA continues the trend over the period of April 2022 to October 2022 with 177 households per month entering TA for the first time and 137 households per month leaving TA;
- Dispersed TA increase by 185 at a rate of 25 properties per month between November 2022 and June 2023, but does not rise further;

- PSL properties increase at the rate of 34 per month from April 2023 through the DPS scheme, until they reach a total increase of 340 properties or until B&B has reduced to zero (at which point PSL properties can be reduced as the next most expensive form of TA);
- The property acquisition programme delivers 12 new family sized properties per month from November 2022 until a maximum 200 properties is achieved and the current £60m allocation is spent;
- Allocations of social housing to households in TA increase by 44 per month from January 2023 when the new allocations policy begins; and
- There is no change to the number of homelessness centres or PRS properties.

Figure 20. shows how the mix of TA would change in Scenario 1 between November 2022 and March 2028, with Figure 21 showing the trend in B&B use and Figure 22 showing the trend in monthly net cost to the Council.

For simplicity, the monthly cost of each type of TA unit is assumed to stay the same as in Figure 18.

In practice, however, the unit costs of PSL are likely to increase with inflation, especially as rental income is pegged to the 2011 LHA rate. The costs of B&B should fall if less properties are used but may rise if more are used, and the costs of dispersed and homelessness centres will depend on decisions made by the Council.

For the purposes of this model, it is assumed that property acquisition is cost neutral. In reality, these costs will vary each year depending on a number of factors but should generate a net positive asset position over the life of the properties.

In Scenario 1, the Council would end B&B for families in September 2023 and end non-emergency use of B&B altogether in July 2024.

Costs per month would fall from £2.1m currently to under £1m by June 2024, but then remain at around £900k for the rest of the period.

Figure 20.

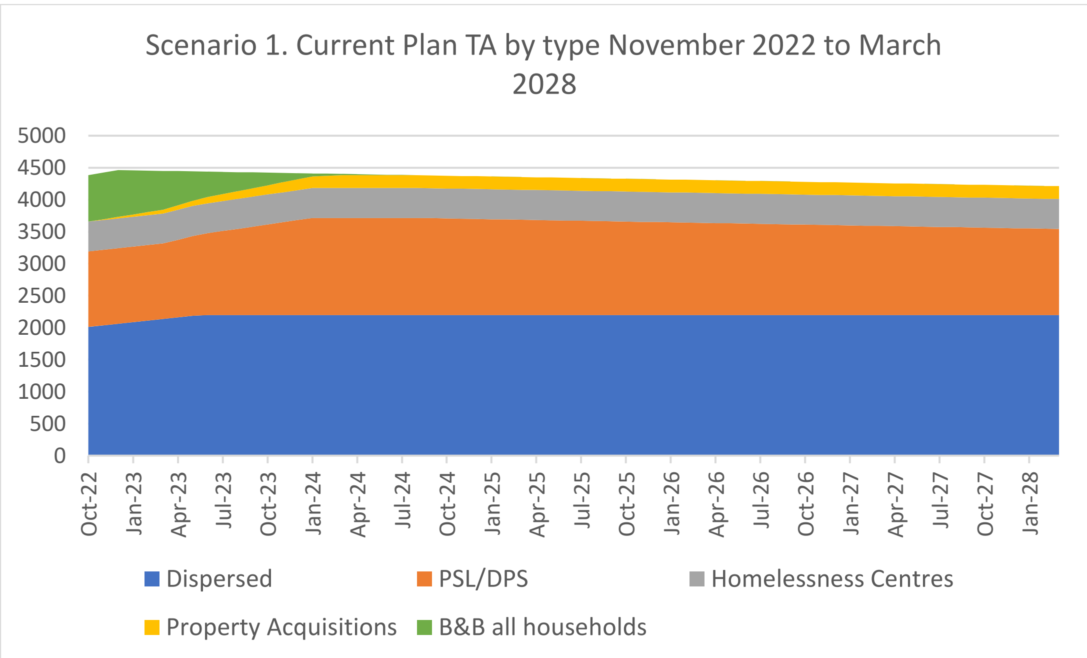


Figure 21.

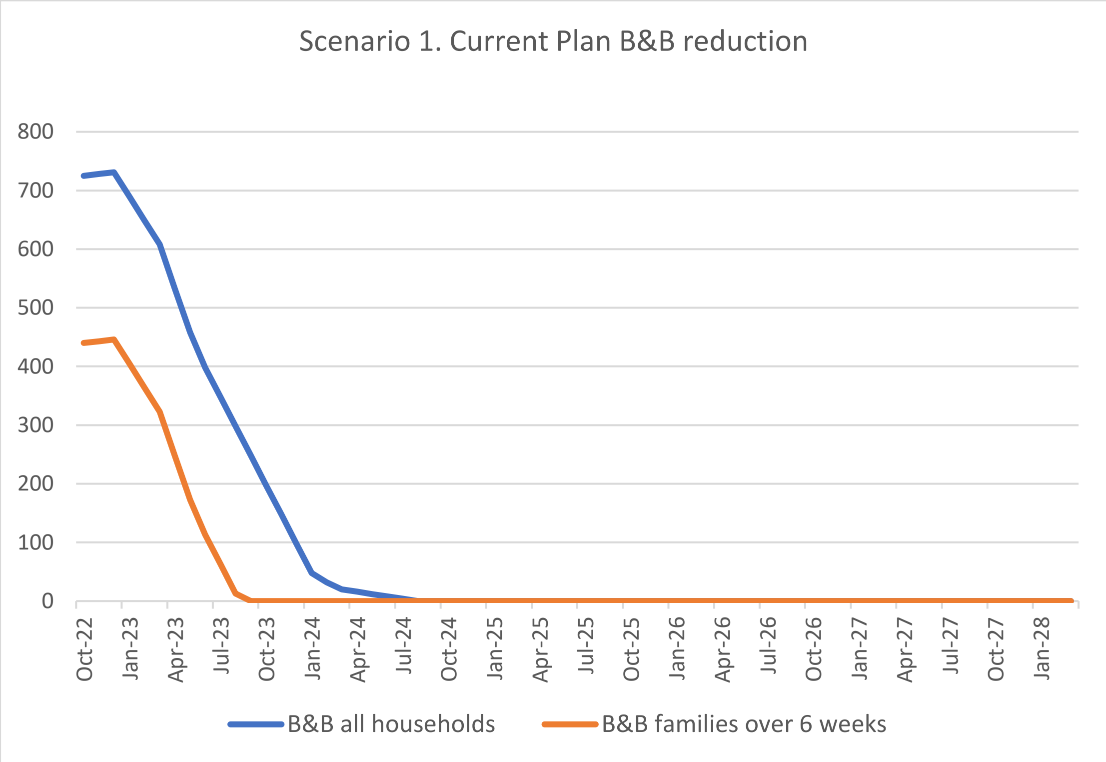
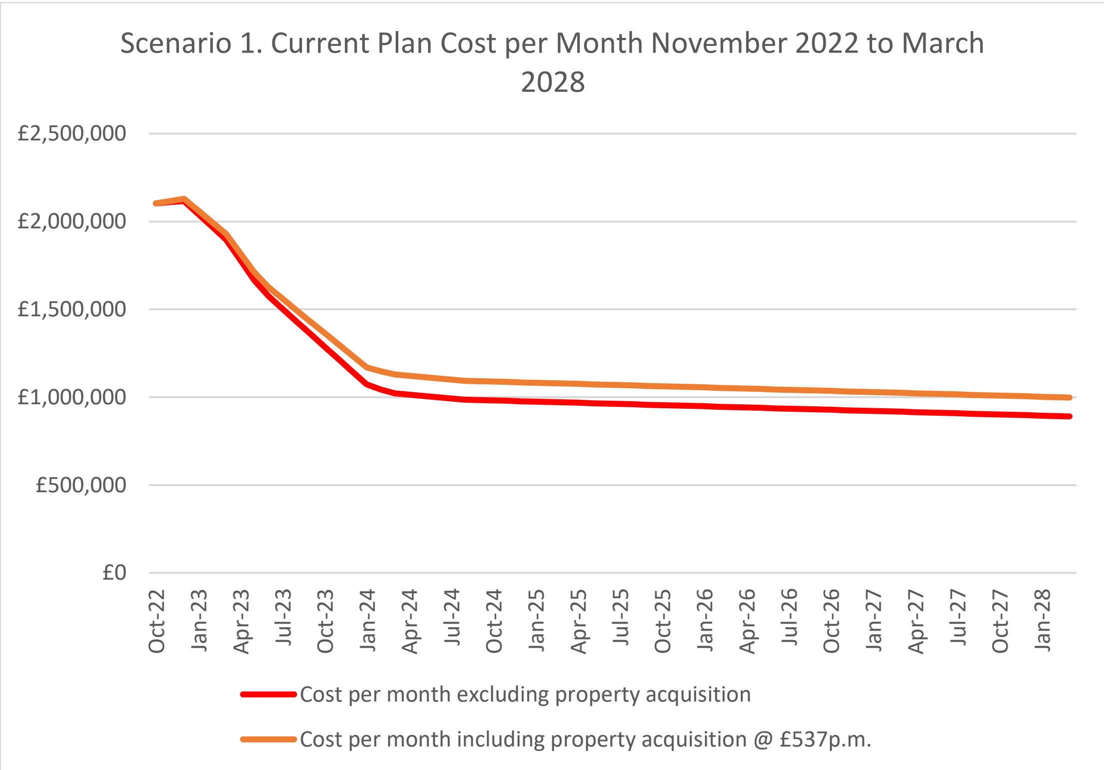


Figure 22.



Scenario 2. Current Plan with addition property acquisition

The position could be improved further by increasing the lettings through the allocations system to families in TA to 70% of lets to family sized properties for one year, before falling to 50% for the rest of the period and increasing the rate of property acquisition and continuing with it over the period until March 2028.

Scenario 2. is the same as Scenario 1. except that:

- Allocations of social housing to households in TA increase by 81 per month from January 2023 when the new allocations policy begins, falling to 44 per month from January 2024; and
- The rate of lettings from property acquisitions rises from 12 per month to 25 per month from April 2023, with no upper limit.

This would require substantial capital investment from the Council. Expansion could be achieved by expanding the existing scheme, or alternatively by working with one of the external agencies interested in buying properties in exchange for a long-term covenant from the Council to guarantee payments covering the costs of their investment.

If an additional scheme were to be developed, it would be important to ensure that it did not compete with the Council's own scheme in a way that would raise acquisition prices.

Figure 23 shows how the mix of TA would be expected to change in Scenario 2. The biggest changes are that the number of Council owned properties increases to 1,560 by March 2028, and the number of PSL properties falls to zero.

The rate of reduction in B&B is significantly better than in Scenario 1, with B&B for families ending in May 2023, and all non-emergency B&B ending in August 2023. The Council's costs also change significantly, as shown in Figure 24. In Scenario 2, costs continue to fall over the whole period and reach £128k per month by March 2028, compared to £890k in Scenario 1.

The challenge in achieving the gains of Scenario 2 is that purchasing over 1,500 properties would require an investment of around £450m over the whole period. However, this would be by investment in properties which could continue to accommodate families in housing need for decades to come and generate a substantial asset under the Council's control.

Scenario 2 is the most optimistic scenario considered here, but it could be improved upon if the Council were able to prevent homelessness more successfully and end more duties into the private rented sector.

This would bring down B&B more quickly and would allow the Council the space to reduce the number of social housing allocations over time and to reduce the use of dispersed properties as TA, both of which would help families who are in housing need but not homeless. In the modelled scenario it would be possible to reduce the number of dispersed TA properties from December 2026 and return those properties to be let through the allocations system as social housing.

Alternatively, the number of homelessness centres could be reduced, giving families in TA more independence, and reducing the requirement to pay the high rents homelessness centres charge.

However, the success of Scenarios 1 and 2 are dependent on the Council delivering on its current plans.

If there is any slippage or under performance, the situation has the potential to rapidly deteriorate, even if homelessness demand does not increase. An example of this is illustrated in Scenario 3.

Figure 23.

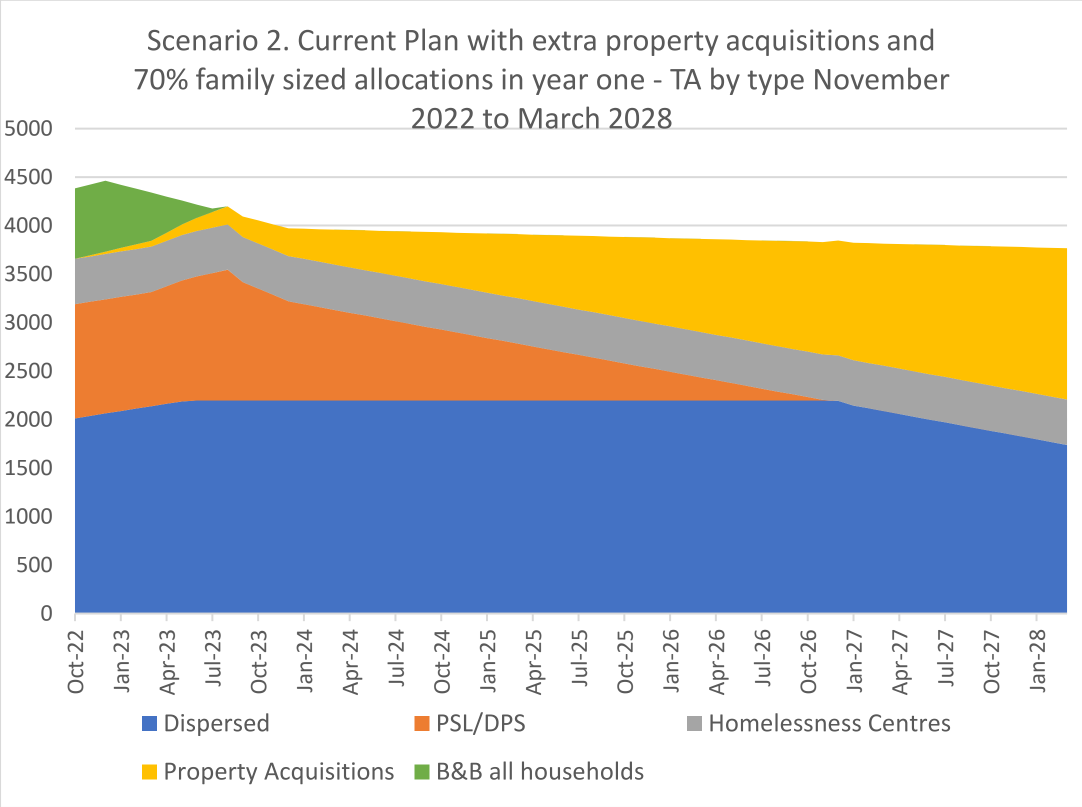


Figure 24.

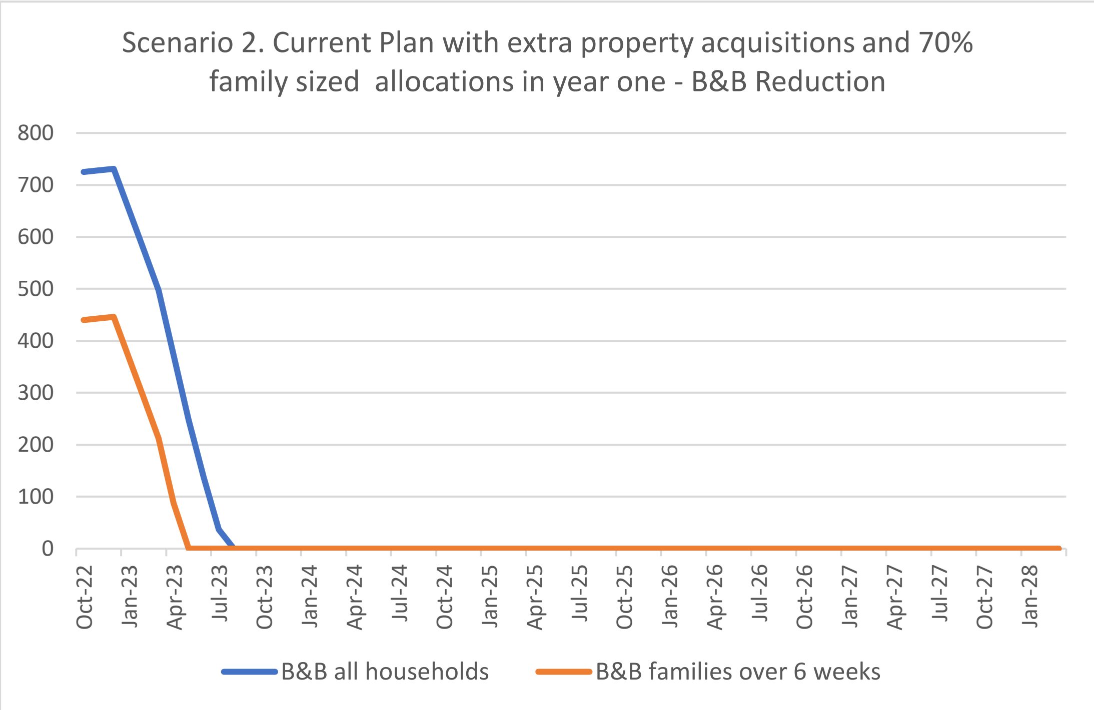
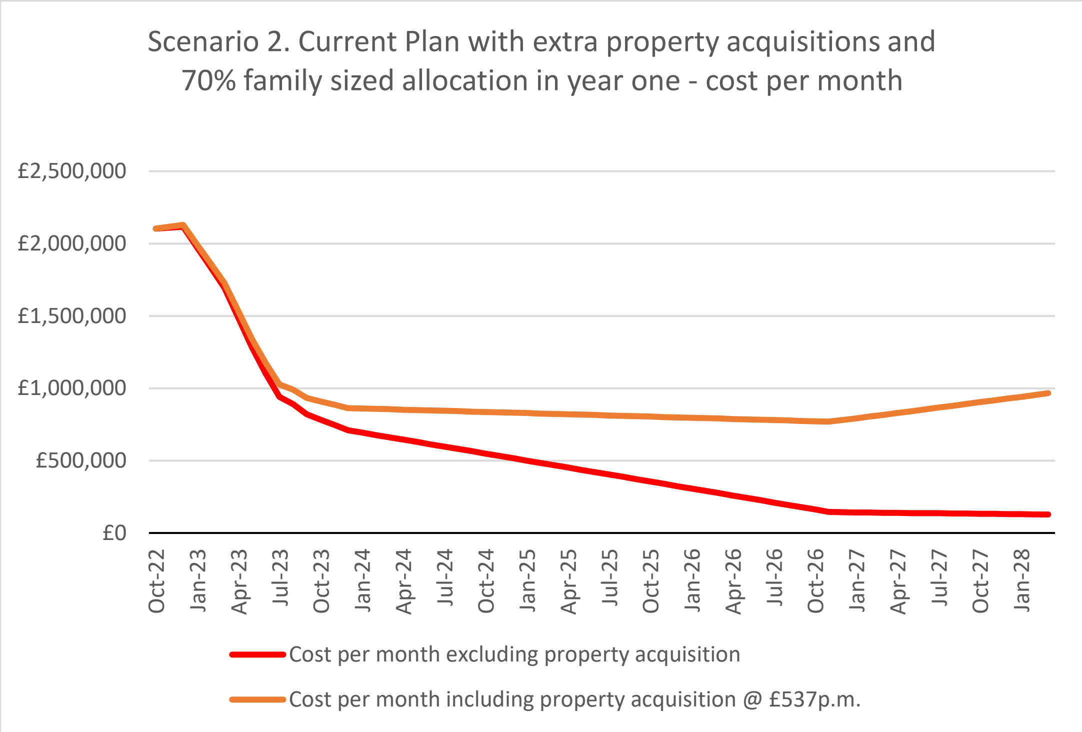


Figure 25.



Scenario 3. Current Plan with lower performance than expected

Scenario 3 is exactly like Scenario 1 except that the number of additional allocations to households in TA from January 2023, the rate of property acquisitions and the rate of increase in dispersed units are all halved.

This is by no means inconceivable.

A slower increase in dispersed units could easily occur as a result of converting existing dispersed units to settled social housing. A reduction in the increase in lettings to tenants in TA under the new allocations policy could occur by the failure to successfully implement auto bids or direct offers, or an increase in the number of lets to families who are homeless at home.

A slowdown in lettings to properties acquired through the property acquisition scheme is a significant risk, as such schemes often deliver more slowly than expected.

Compared to Scenario 1, in this scenario:

- Lettings to households in TA through the allocations system rise by 22 per month from January 2023 instead of 44 per month;
- The number of lettings from property acquisitions falls from 12 per month to 6 per month
- The increase in dispersed units falls from 25 per month to 12 per month; and
- PSL increases from April 2023 through the DPS scheme, however, continue at the same rate as envisaged in Scenario 1, i.e. 34 per month from April 2023.

Figure 26 shows the mix of TA going forward in Scenario 3, with Figure 27 showing the pattern of B&B use and Figure 28 illustrating the changes in the Council's costs.

The outcomes of Scenario 3 are massively worse than Scenario 1 with B&B only falling until January 2024 and then rising rapidly thereafter, with the number of families unlawfully in B&B for over 6 weeks rising to over 900 by March 2028.

The Council's costs fall initially to a minimum of £1.8m per month in February 2024, but then rise for the rest of the period, reaching almost £3.2m per month by March 2028.

The main reasons for the rise in both B&B numbers and costs from around February 2024 are that the number of dispersed units reaches the agreed maximum number and the agreed funding for DPS growth runs out.

Unlike in Scenario 1 the number of additional allocations to families in TA are not sufficient to balance the number of newly homeless families moving into TA, and so when the increase in DPS and dispersed units stops, B&B and the associated costs begin to rise again.

In this scenario, if it is not possible to allocate more properties to families in TA or increase the number of property acquisitions, continued funding for DPS and/or funding for a substantial PRS leasing scheme, are therefore likely to be imperative.

Scenario 3 is by no means the worst-case scenario, however. We now consider what would happen if homelessness does not stay stable but increases.

Figure 26.

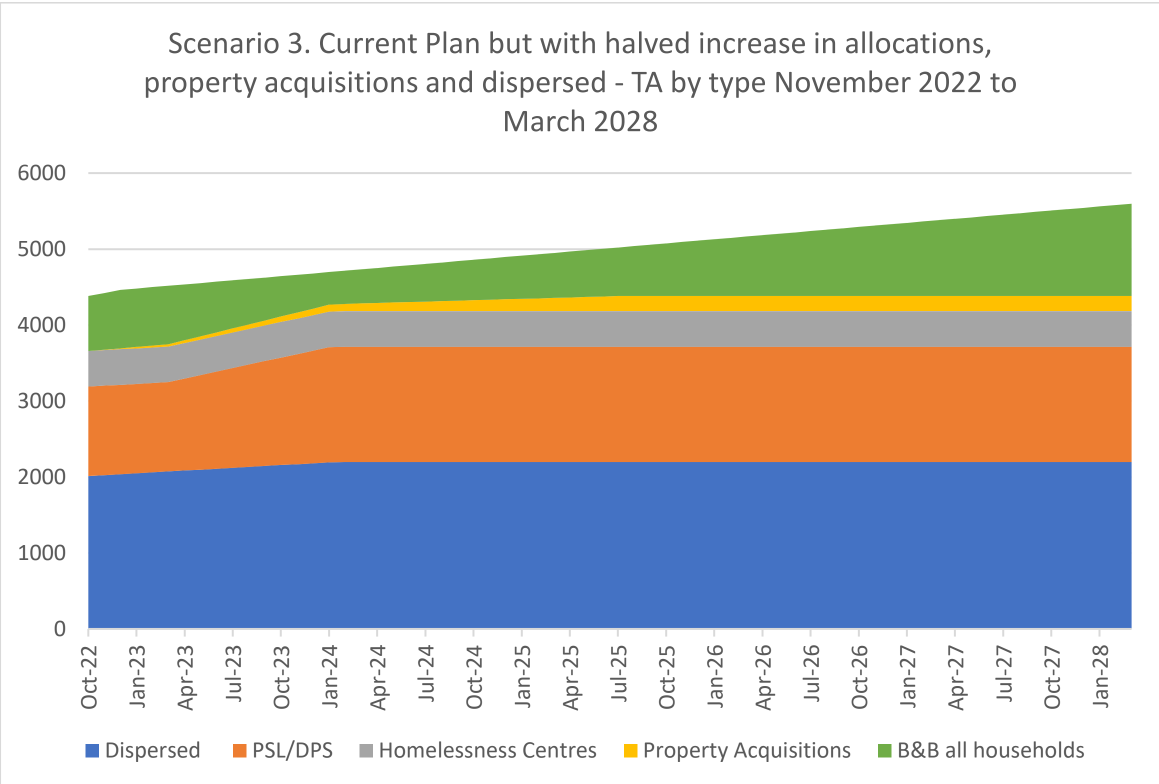


Figure 27.

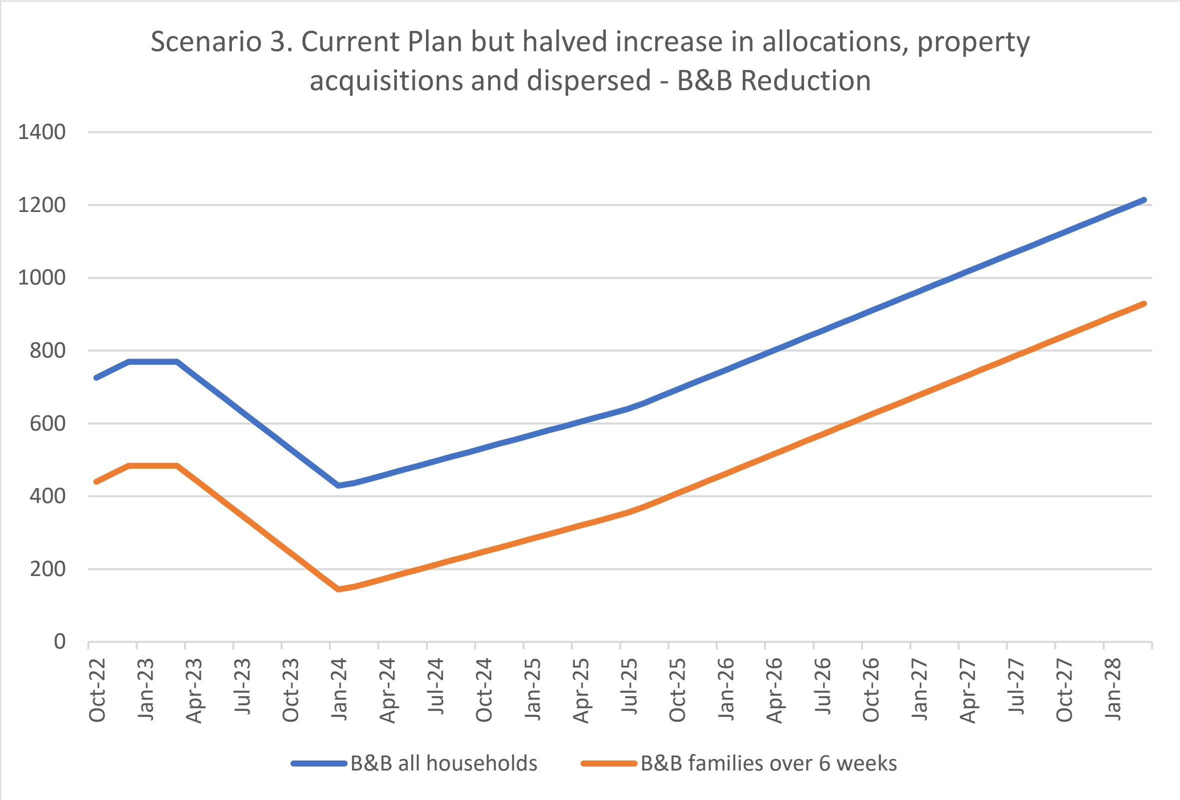
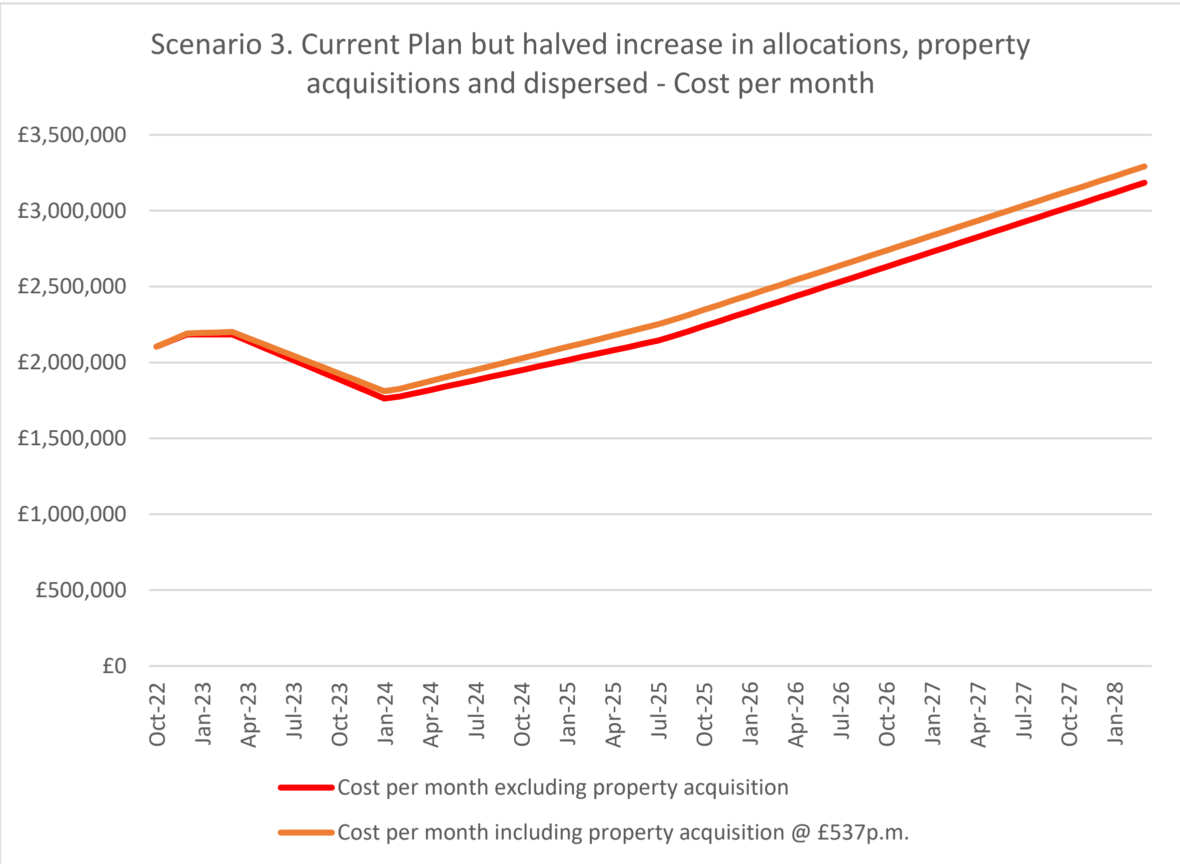


Figure 28.



B. Scenarios with increased demand

The likelihood unfortunately is that homelessness demand will not stay stable for the next period but will increase substantially as a result of the cost-of-living crisis, continued inflation, private landlords leaving the rental market, the expected recession, increased unemployment, homelessness among Ukrainian and Afghan refugees, and a rise in mortgage repossessions.

For illustrative purposes, the situation of homelessness demand increasing by one third from January 2023, leading to an increase of one third in the number of households entering TA.

It is possible that improvements in the Council's frontline homelessness services could mean that an increase in homelessness pressures does not result in a rise in TA. However, it is far from clear that this will be the case and it is also possible that homelessness pressures could increase by significantly more than one third over the coming months.

Scenario 4. Current Plan with increased homelessness demand

Scenario 4 looks at the situation where the Council successfully follows its current plan, without any underperformance, but the number of households entering TA increase by one third.

Scenario 4 is exactly like Scenario 1 except:

- The number of households entering TA for the first time rises from 177 per month to 236 per month.

Figure 29 shows the future mix of TA in this scenario, with Figure 30 showing the B&B trend and Figure 31 showing the change in costs.

This would be a very serious situation indeed. By March 2028, total temporary accommodation would have risen to almost 8,000 households, B&B number would have risen to over 3,500 households, and costs would have risen to £7.4m per month.

The reasons for this are that the Councils current plans, even with the rapid rise in social housing allocations to families in TA, the planned rise in dispersed accommodation, the new DPS scheme, and property acquisitions are not adequate to meet the increase in the number of households entering TA, so that B&B use rises from January 2024 at the rate of 53 households per month.

Figure 29.

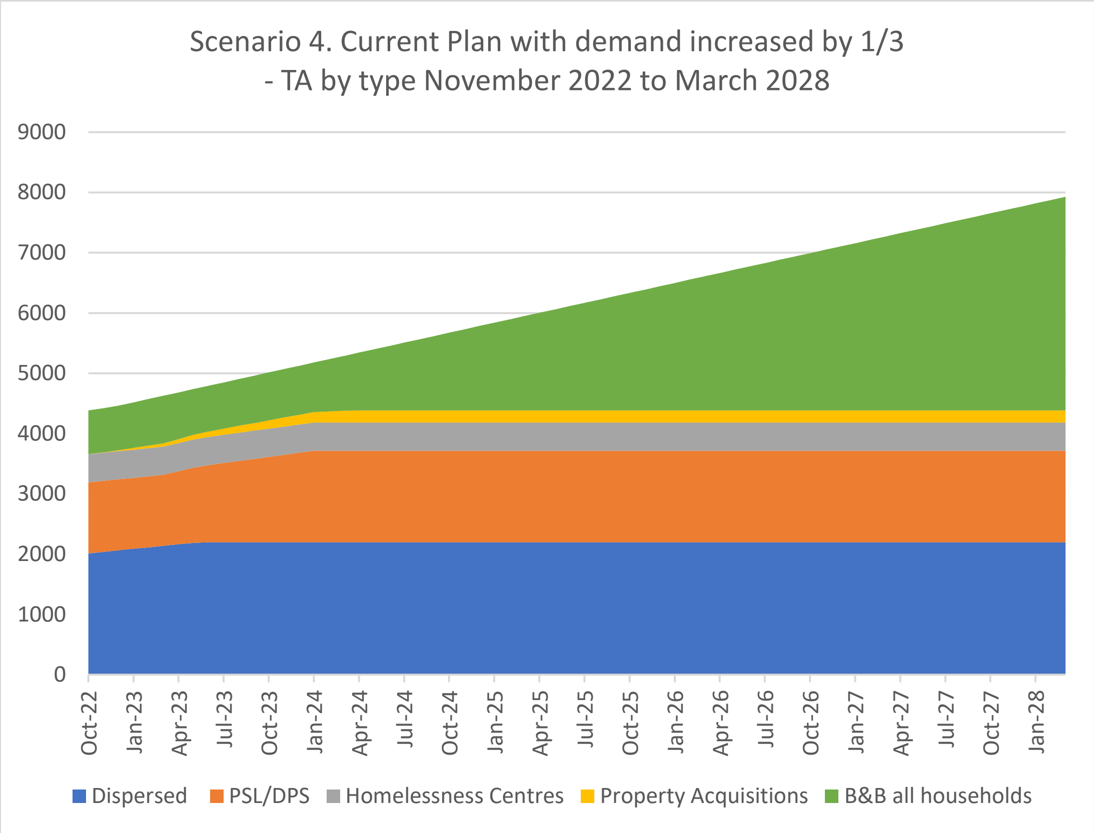


Figure 30.

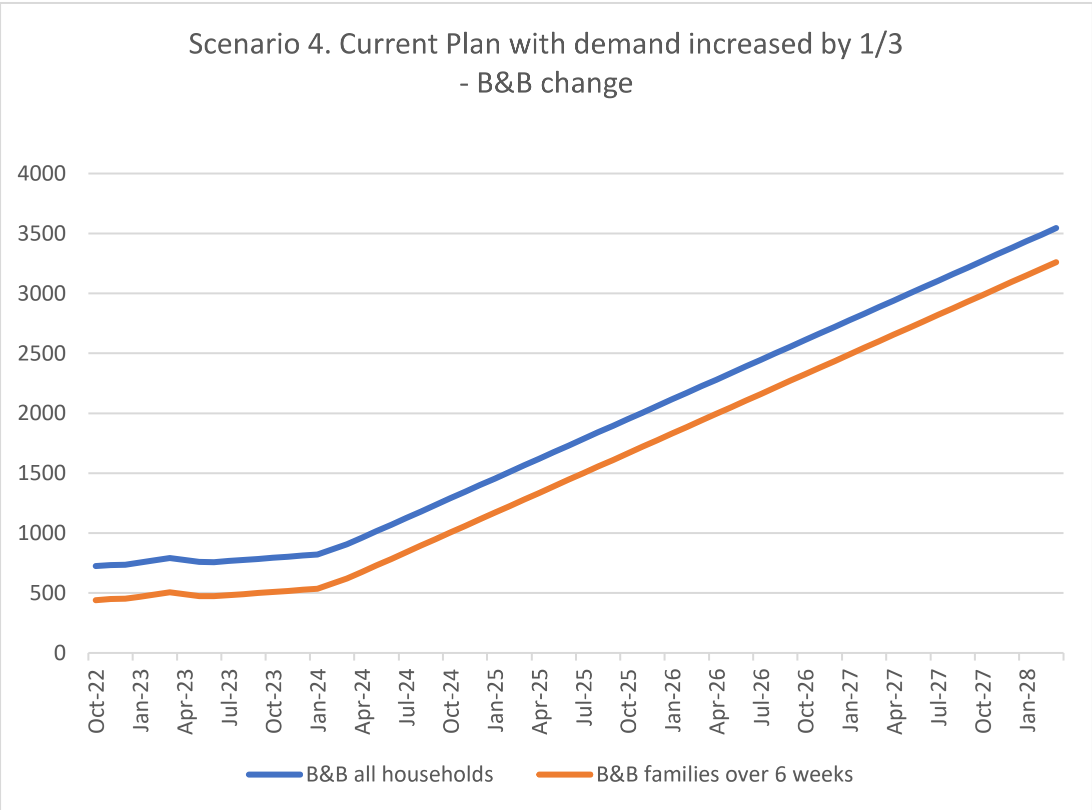
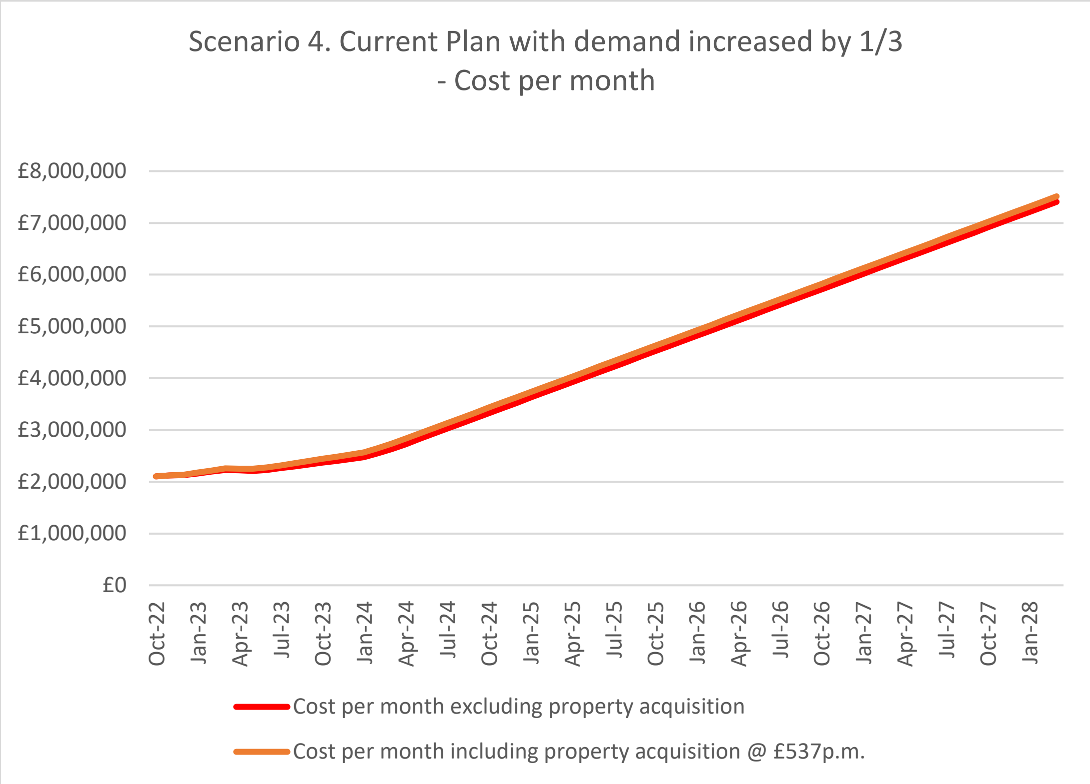


Figure 31.



This situation would clearly be intolerable, and emergency measures would need to be undertaken to mitigate these unaffordable costs.

It is far better to plan services now that give the possibility of meet this kind of rise in demand, in a way that allows flexibility to use them if necessary but to reduce them if needed.

In this scenario of entries to TA rising by 1/3 modelling shows that it would take all the possible tools at the Council's disposal to stop the unlawful use of B&B and to keep costs at even a reasonable level.

It is possible to model a wide range of interventions and scenarios, but for the sake of brevity Scenario 5 looks at the position where demand rises by one third and the Council uses all the measures suggested so far. If only some these measures are included the Council's costs would rise month on month.

Scenario 5. Maximum range of measures and demand rising by 1/3

In Scenario 5.:

- The number of new households entering TA rises from January 2023, from the trend rate over the period of April 2022 to October 2022 of 177 households per month entering TA to 236;
- Dispersed TA increases by 185 at a rate of 25 properties per month between November 2022 and June 2023, but does not rise further, as no further rise has been established is a clear Council priority;

- PSL properties increase at the rate of 34 per month from April 2023 through the DPS scheme, without limit until B&B has reduced to zero (at which point PSL properties can be reduced as the next most expensive form of TA);
- The property acquisition programme delivers 12 new family sized properties per month from November 2022, and then 25 new properties per month from April 2023, with no upper limit;
- Allocations of social housing to households in TA increase by 81 per month from January 2023 when the new allocations policy begins, falling to 44 per month from January 2024;
- 33 additional PRS properties are let to per month from April 2023 to March 2028. These are assumed to come from a combination of PRS leasing and additional PRS properties sourced by raising landlord incentives and topping up rents above LHA levels. It is assumed that these additional properties cost the Council £2,000 per year on the basis that the Council could work with housing associations to get additional leasing supply; and
- 100 new homelessness centre units are created every 6 months from April 2023.

Figure 32 illustrates the mix of temporary accommodation over the period to March 2028 in Scenario 5. This scenario also includes almost 2,000 additional PRS units which are not included in Figure 33, as they are not TA.

Figure 34 shows the change to B&B in Scenario 5, with Figure 33 showing the changes to the Council's costs.

Figure 32.

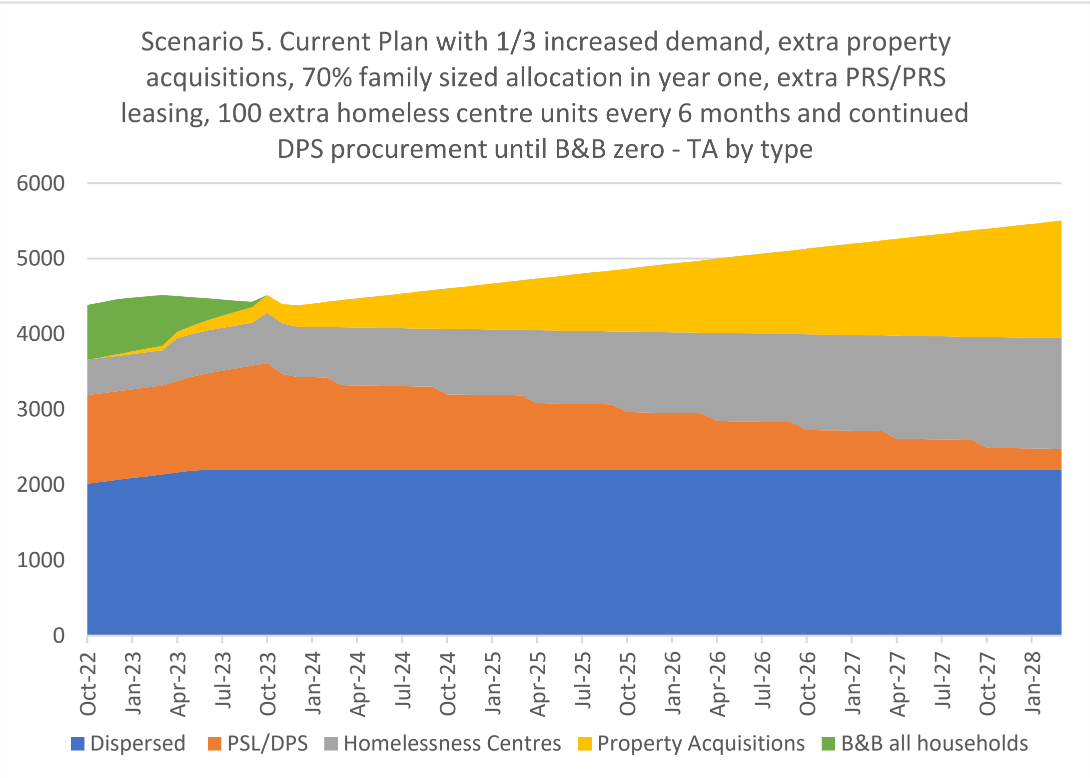


Figure 33.

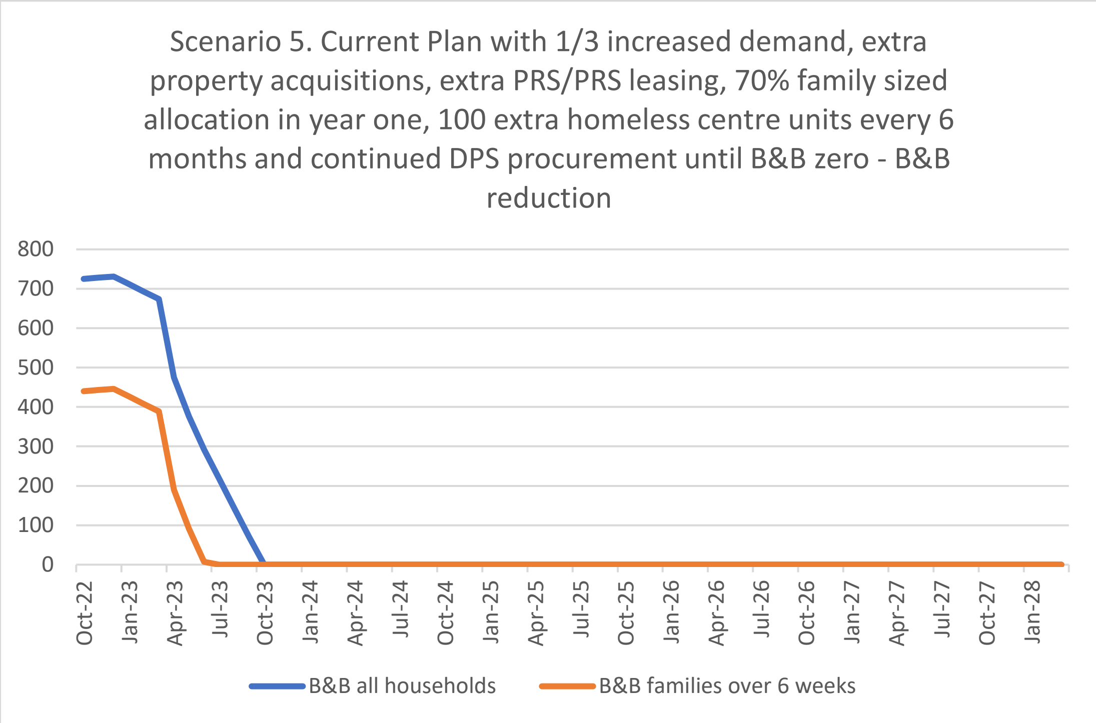
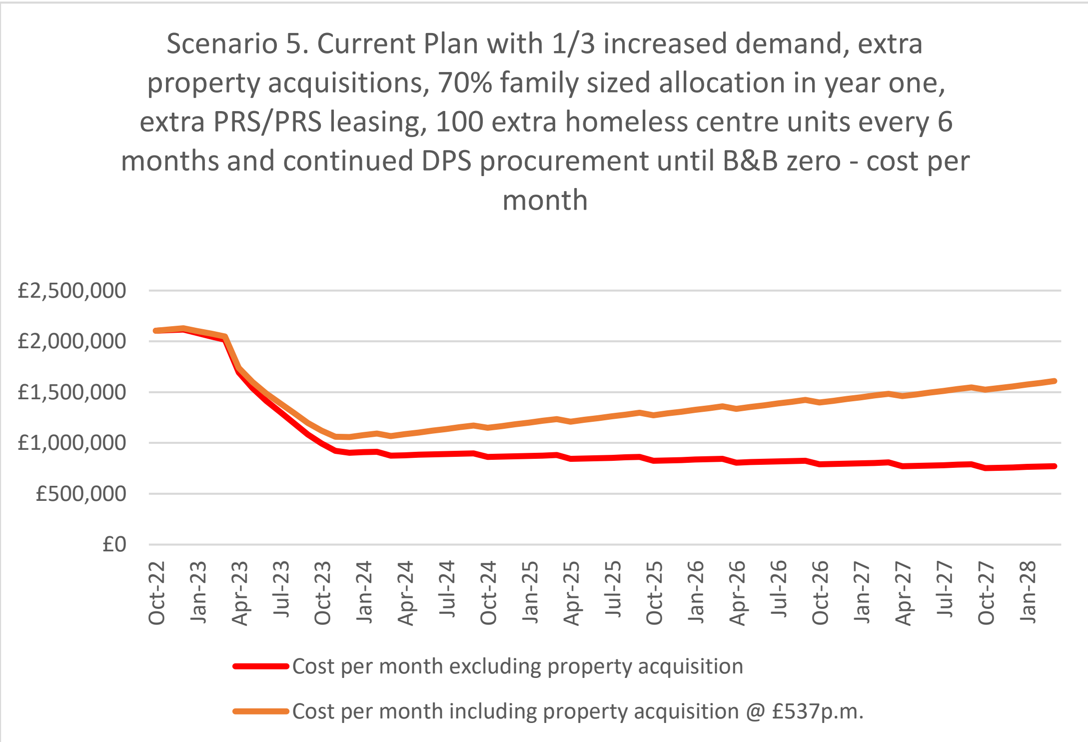


Figure 34.



The biggest changes in Scenario 5 are the large increases in both use of homelessness centre accommodation, property acquisitions and PRS.

The increase in property acquisitions and PRS are positive in many respects but will require significant investment. The increase in homelessness centre accommodation, which is modelled to rise from 468 households currently to 1,468 households by March 2028 is much more problematic due to the long-term high occupancy and use of shared facilities which it entails.

An alternative would be to slow the increase in homelessness centres and not reduce PSL from its modelled maximum of 1,415 units in October 2023. This could significantly reduce the homelessness centre accommodation needed but would mean significant additional costs to the Council due to the high cost of PSL.

B&B in Scenario 5, after an initial rise, falls from April 2023 until it reaches zero in October 2023, with B&B for families over 6 weeks reaching zero in July 2023. This demonstrates that it would be possible to reduce B&B to zero even in a challenging environment of increased demand.

However, this comes at a cost. Although costs fall from the current £2m per month to £0.9m by December 2023, but then then only fall very slowly to £0.8m by March 2028. This, is still a significant ongoing deficit, compared to the fall in costs to almost zero in Scenario 2.

This is because the continued increased demand envisaged in Scenario 5. means that even maximised social lettings from TA, and maximum use of homelessness centres cannot meet the demand, so that it is necessary to continue to spend money on leasing and topping up PRS rents indefinitely.

The only way this could be avoided is if implausibly large numbers of social housing were to be built or if the housing solutions service were to be much more effective in preventing homeless families needing to go into TA.

Although costs to the Council remain substantial in Scenario 5, they are very much lower than if further investment is not made and B&B is allowed to increase as n Scenario 4, where costs reach £7m per month by March 2028, compared to the £0.8m envisaged here.

An alternative scenario in which homelessness centre units are not increased leads to an estimated monthly cost of £1.2m by March 2028.

Summary of costs

Figures 35 shows the predicted monthly costs to the council until March 2028 if property acquisition costs are excluded and Figure 36 illustrates the position if property acquisition costs are included at £537 p.m. i.e., excluding the repayment of principal.

If these costs are included, then even in the best-case scenario, total monthly costs to the council do not drop below £770k per month at any point on the next five years, even if demand does not rise.

The only way to see a substantial fall in costs below that level would be to sell the properties or transfer them to the HRA, where the accounting treatment would be different.

Figure 35.

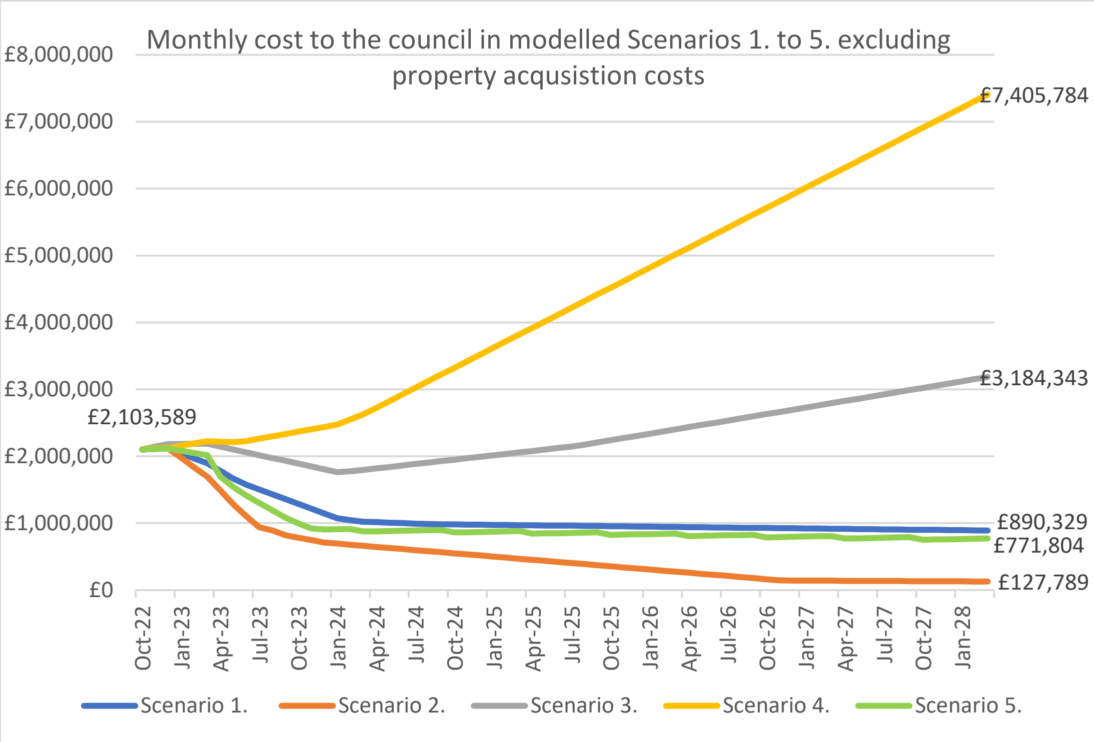
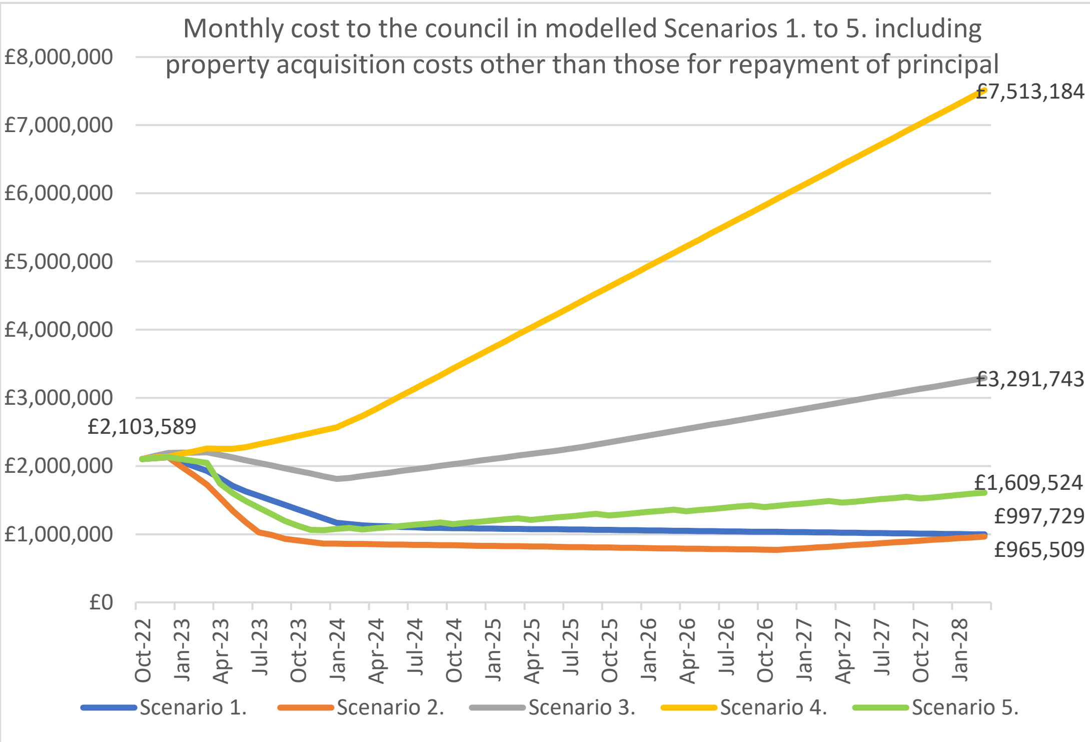


Figure 36.



Quality of life in temporary accommodation

Living in temporary accommodation can be a difficult experience for both adults and children. Very often, moving into TA follows a crisis, sometimes short or sometimes drawn out over a period, in which a family or a vulnerable single person has been at risk of losing their home and perhaps in fear of violence or of having to sleep on the streets.

It is extremely important that the experience of moving into temporary accommodation should, wherever possible, restore a sense of stability and safety, and present an opportunity to build back from the circumstances leading to homelessness towards a more positive future.

Unfortunately, and especially for families with children, the shortage of accommodation available to the Council to meet the level of need has meant that over a number of years, the first emergency accommodation a household will move into is likely B&B accommodation[22]. This usually involves sharing a bedroom with other family members, sharing washing or cooking facilities with strangers, and moving away from the area where children go to school and away from relatives and support networks.

In many cases B&B can be outside the city of Birmingham, with the length of stay uncertain. Getting to school and getting to work may be difficult or impossible.

The priority for the Council is improving the wellbeing of homeless families by ending the use of B&B for families, and this is the main purpose of this strategy.

However, this is not the only priority. Once B&B is no longer used, it is also the Council's aim to reduce the time that families stay in any temporary accommodation which involves the use of shared facilities. Birmingham's homelessness centres provide structured, good quality support, but for all but a few families with support issues, they are not the most appropriate accommodation for long term stays.

The Council also wishes to make sure that households in TA are not forgotten when it comes to accessing employment and training services, debt counselling, income maximization which are often available to families in TA but may not be aware of.

It is also just as important that families in TA get high quality housing management and maintenance services as any household living in a settled Council home.

To ensure these objectives are met, the Council will produce a Temporary Accommodation Charter which will be introduced by June 2023, giving minimum service level guarantees and making sure that all residents of TA know how to access the support and other services they need and, how to complain if things go wrong.

All residents in TA will be provided access to information and services that promote financial well-being. This includes access to the Council's new handbook on how to cope with the cost-of-living rise, appropriate information advice and guidance services, digital inclusion and how to get assistance with gaining meaningful employment.

The Council works to secure the welfare of children in TA by ensuring that every family is made an offer of support by the Early Help team, through an assessment shortly after they enter TA, which identifies the support the family need to improve their quality of life. Information sharing with

[22] Often a misnomer, as breakfast is often not provided.

Education minimises the potential disruption to education through the transient nature of TA and ensures that children are not lost.

The Council endeavours to place children as close as is practical to their existing schools given the supply constraints. We also support families in accessing school places closer to their accommodation when cross city travel is not practical. Funding is available for travel passes within Birmingham via Travel Assist and we support families in TA to access this to help with the costs of travel to school.

More needs to be done for families placed outside of the city, where it is impractical and/or unaffordable for them to travel to their original school and the time to be spent in the out of area location is uncertain, making changing schools difficult.

To address this, the Council housing solutions and education teams will work together to develop an online resource to ensure that children do have access to education regardless of location. This will require a long-term commitment for the provision of IT equipment and internet access.

We will also work with Travel Assist and if possible other transport authorities to upgrade bus passes to bus and rail, reducing travel times and also allowing families to travel further.

TA support and management staff will receive training enabling them to make sure that TA residents have access to all relevant services that the Council either provides or can refer or signpost to.

In addition, the Council will begin to commission regular resident satisfaction surveys for TA occupants at least the same frequency as for council tenants. Learning from the responses will help to inform future service and practice improvements over the life of this strategy.

Partnership Working

Partnership working with Housing Associations

Housing associations can be key partners in tackling family homelessness. The Council already works well with housing associations through nominations agreements and through specialist accommodation provided for single homelessness, including youth homelessness.

The Council is also renewing and prioritizing its engagement with housing associations in affordable housing development with a number of Council sites currently being offered for housing association development.

The Council intends to build on this to work more closely with housing associations (HAs) on family homelessness and has already begun to work with organisations like Midland Heart and the Birmingham Social Housing Partnership (BSHP) group.

Potential areas for collaboration include:

- Setting up a Housing Association Leasing Scheme where HAs contract with the Council to lease and manage accommodation from private landlords and private investors to provide accommodation in which the Council can end homelessness duties.

- Purchasing accommodation from Housing Associations which no longer meets their needs, but which would be suitable to accommodate homeless families.

- Letting housing association accommodation as TA pending redevelopment work.

- Housing associations purchasing, developing, or converting accommodation which can be let by the Council as TA or by the HA to end a homelessness duty.

- Flexing the rules to allow 1-bed HA accommodation to be let to small families as a better alternative to more less independent B&B or homelessness centre accommodation.

It has been agreed with the BSHP partnership to establish a working group to consider and develop these options further.

Partnership with Investors

The Council is in active discussion with a number social, institutional, and commercial investors interested in working with us to increase the supply of properties to accommodate homeless families.

These propositions range from ad hoc agreements to let to properties purchased by investors, to co-investing in property funds which would provide accommodation for homeless families, to entering into long term lease agreements over up to 50 years of purchased or newly developed properties, which would see those properties revert to the Council as an asset at the end of the lease.

These investments and partnership opportunities have the potential in some cases to complement and add to the opportunities for property acquisition available through the Councils own property acquisition programme.

Consideration will be on a case-by-case basis, depending on an assessment of value for money, risk, flexibility, control, and savings form the avoidance of continued use of expensive TA. There may be potential to accommodate hundreds of families in accommodation provided though investment partnership arrangements over the lifetime of this strategy.

Partnership with the West Midlands local authorities

One of the consequences of the decreasing affordability of PRS accommodation within Birmingham is the need for the Council to make use of TA and PRS accommodation outside Birmingham.

The Council is about to adopt a placement policy setting out how the Council will ensure that households are only placed outside Birmingham where this is suitable for them.

Nevertheless, placing in neighbouring authorities can create issues if the Council is competing with those authorities for the same accommodation if placements are in areas where the receiving Council is sensitive to increasing concentrations of TA in a particular geographical area.

Although people naturally move between different Council areas all the time in response to economic or other circumstances, it is recognised that longer term or permanent placements outside Birmingham can increase demands on local services such as schools and in some cases children's social services.

Recognising that, as in other areas with high homelessness demand around the country, out of area moves are inevitable, the Council would like to engage more intensively with other West Midlands authorities around the potential to develop common standards, sharing information on rogue landlords or agents, and developing protocols to ensure that out of area moves are handled as well and sensitively as possible.

There may also be opportunities to develop multi-council partnerships around working with investors and private sector landlords, where this makes sense.

Partnership with Government

Birmingham has worked well with government on single homelessness, youth homelessness and rough sleeping in recent years, and the Council is keen to influence government and work more closely with them on tackling family homelessness.

The Council already has regular meetings with our DLUHC homelessness advisor and has recently been successful in negotiating an initial £3.8m DLUHC capital grant to support a PRS leasing scheme.

Proposals have also been made on converting surplus supported exempt accommodation into use to accommodate homeless families.

We hope to bring these and other collaboration possibilities to fruition over the life of this Strategy.

Partnership with landlords

Compared to some other local authorities, an area where the Council has not made enough progress in recent years has been in building partnerships with private landlords to provide accommodation to prevent and relieve family homelessness.

This is now changing. The 14 staff member AFT has begun to be successful in collaborating with landlords to provide accommodation at LHA rents based on landlord incentives, insurance, and support.

There is also an increasing engagement with larger landlords who are interested in working with the Council.

It has to recognise, however, that this is a challenging area. It will take time to build the Council's reputation with landlords across the city, and our attempts to do so are against a back drop of LHA rents falling further behind market rents, or the size of the PRS market declining as landlords exit it, and of welcome, but increasing regulation of the private rented sector in areas such as increased security of tenure, better standards and increased energy efficiency, which all potentially add cost to landlords and make it less economically viable for them to let at lower rents.

Increasing access to PRS accommodation is key to this Strategy as it not only provides accommodation to end homelessness duties, but also saves very significant amounts of money in avoided TA costs.

A realistic ability to offer suitable PRS accommodation also helps significantly in disincentivizing the 'homelessness route' to council housing by breaking the link between Part 7 homelessness duties and an eventual Part 6 offer of social housing.

The Council will therefore continue to build relationships with PRS landlords and specifically will:

- Increase current landlord incentives if necessary to secure more accommodation.
- Commit to holding regular landlord forums, building on the success of the recent one held earlier in the Autumn.
- Consider introducing a guaranteed rent scheme, where the Council collects rents on behalf of a landlord for the duration of a tenancy.

We will also introduce a PRS leasing scheme for private sector landlords who would prefer to lease their properties to a housing association or a commercial agent collaborating with the Council, rather than let them direct to homeless families themselves.

Recognising the increasing regulatory and financial demands on landlords, and the need to upgrade the relatively high proportion of PRS properties in Birmingham which do not meet decent homes standards, the Council will also pilot a capital fund of up to £5m to support landlords in upgrading their properties to meet regulatory standards. Support from the fund will be according to the amount spent on upgrade and renovates works and will be conditional on either letting properties to homeless households through the AFT team or on leasing properties to a Council PRS leasing scheme partner to end a homelessness duty. The length of this commitment will reflect the money spent.

This will represent value for money for the Council because of avoided TA costs but will also help to regenerate the city's PRS housing stock.

Partnership with homeless families

In addition to working directly with PRS landlords for properties to offer to prevent and relieve homelessness, the Council will also support and encourage homeless households themselves to find PRS properties they would like to live in.

This approach is used successfully by many other councils and has the advantages of allowing families more choice about where they want to live, and of harnessing the energy of families who may be able to find landlords who are not know to the AFT team.

Information and advice on this will be provided to all families owed a homelessness prevention or relief duty and to those in TA.

Where a family finds a property they like, and which is assessed by the Council as being both suitable and affordable for them, Council officers will help to close the deal by offering a landlord incentive in the same way as for a landlord approached directly by the Council.

Key objectives

The analysis in this strategy shows that with the right level of investment and commitment, a dramatic improvement to the current situation can achieved.

A commitment to sustained investment in a number of areas is necessary, sufficient to deliver the Council's objectives even if some initiatives underperform or there is a rise in demand.

This implies an element of contingency being needed alongside a commitment to review and change the pattern of investment if things go better or worse than envisaged.

The strategy therefore sets out a pathway to achieve the following key objectives within the next five years:

Objective 1. End the use of B&B for families over 6 weeks by the end of summer 2023 and keep it at zero.

Objective 2. End all but emergency use of B&B by autumn 2024 and maintain this for the life of the strategy.

Objective 3. End the requirement for families to stay in accommodation with shared facilities for longer than one year by summer 2025 and by longer than 6 months by summer 2026.

Objective 4. Increase Council acquired accommodation so that this provides 1,500 units of accommodation by March 2028.

Objective 5. Ensure that all but a small proportion of TA is either owned in the general fund through property acquisitions, is the Council's own stock let as dispersed accommodation or is good quality homelessness centre accommodation by March 2028.

Objective 6. Reduce the monthly costs of TA and alternatives to TA, excluding property investment costs, from over £2m today to less than £1m by March 2028, depending on levels of homelessness demand.

Objective 7. Ensure that all TA residents are actively supported to access the full range of services around employment and training, financial and debt advice, and income maximization that they require, and that disruption to children's education is minimised.

The Council's commitments

These key objectives will be achieved by implementing twenty-four ambitious commitments, which between them have the capacity to transform the position and make Birmingham a leader in its approach to family homelessness.

1. **Homelessness prevention and frontline casework**
   The Council will implement the reforms to homelessness prevention and assessment agreed in response to the recent review of this activity and ensure that homelessness prevention is a key part of the early intervention and prevention services the Council is setting up as part of its wider strategy to support citizens.

2. **Social lettings to families in temporary accommodation**
   The Council commits to achieving 70% of lettings of family sized properties through the allocations system going to families living in TA for one year from March 2023, falling to a minimum target of 50% from March 2024, subject to review.
   This will be achieved through the impact of the new allocations policy, supplemented as necessary by direct offers and auto bids.

3. **Acceleration of the property acquisitions scheme**
   The Council will double the rate of lettings through the current property acquisitions programme to an average of 25 lettings per month from October 2023. This will be achieved by implementing a package of measures including widening the search for properties to more wards, seeking to purchase properties from housing association and other partners when available, and the targeting of RTB buy backs for acquisition. Staffing resources will increase as necessary to achieve this, both at the Council and with the Council's partners.

4. **Continuation of property acquisitions over the life of the strategy**
   The Council commits to further medium-term investment in property acquisition through a continuation of the existing programme at an accelerated rate and by working with investment partners when this represents value for money and complements the in-house programme. The intention is to secure at least 300 family sized properties per year, subject to an annual review to ensure value for money is achieved.

5. **Increased staff resource for TA move on and lettings**
   The Council will increase the number of TA move on and support officers, voids and lettings officers, and review officers to be commensurate with the successful achievement of commitments 2. and 3., recognising the additional work that this increase in the number of moves into social housing and acquired properties will bring.

6. **Establishment of a PRS leasing scheme**
   The Council will establish arrangements with one or more leasing partners by April 2023, either from the housing association or commercial sector, to lease and manage properties to be let as private rented sector accommodation to end homelessness prevention, relief, or main duties.

7. **Commitment to lease 200 properties to end homelessness duties**
   Through joint working between the AFT and the PRS leasing partner/s, the Council will

enable leasing of 200 properties for 5 years to end homelessness duties in this type of accommodation in the year from Spring 2023, with a view to extending the programme in future years.

8. **Increased PRS access through the AFT team**
The Council will continue to fund the AFT at current staffing levels and an increased funding pot for incentive payments. We will aim to increase the number of PRS lettings to end a homelessness duty from the current rate of approximately 5 per week to 10 per week from July 2023 through a combination of a review of incentive payments, and guaranteed rents.

9. **Establish a 'find your home' scheme to prevent and relieve homelessness**
The Council will fund a team to work with households at risk of homelessness, housing solutions officers, TA support officers and early intervention and prevention officers to support households in housing need to find and secure access suitable PRS accommodation, including payment of landlord incentives where this will help prevent a household entering TA or help them to move from TA.

10. **Capital Fund to raise standards in the PRS and increase lets to prevent and relive homelessness**
The Council will establish and administer a £5m capital fund to support PRS landlords to bring their homes up to regulatory standards or to convert supported exempt accommodation to family use. Funding will be conditional on letting the accommodation to a homeless family nominated by the Council for a minimum agreed period, either through the AFT team or the PRS leasing scheme.

11. **Limited increase in dispersed TA**
The Council will increase the number of dispersed TA units 2,400[23] homes by the end of June 2023, but this will be the limit of expansion of the use of Council accommodation for this purpose for the foreseeable future.

12. **Conversions of dispersed TA to settled accommodation**
The Council will offer homeless households living in dispersed accommodation the opportunity to convert to a settled tenancy in the same home, where the property is suitable for their needs and the household wishes to remain there. The rate of such conversions will not be so high as to prevent the achievement of commitment 11, to reach 2,400 dispersed homes by June 2023, but thereafter will increase to match the rate at which converted homes can be replaced on a like for like basis.

13. **Review of Council assets for possible use as TA**
The Council will make a regular assessment of available Council assets eligible for potential sale, in case better use could be made of them by development or conversion into good quality self-contained TA or homelessness centres.

14. **Increased flexibility in securing accommodation**
The Council will agree a clear framework between housing solutions and procurement,

[23] This equates to 2,200 dispersed units let at any one time, based on an 8% void rate.

which offers the maximum flexibility available within the law to quickly lease, purchase or let to accommodation offered by property owners or developers, which is suitable for use as temporary accommodation and better value for money than B&B.

15. **Joint working between Housing and Adult Social Care**
The Council's Housing and Adult Social Care departments will work together in a planned way to address the needs of families with care needs living in council stock or other housing which is unsuitable for them. This may be because of the need for adaptions or for other reasons specific to each household. The aim will be to avoid homelessness and TA wherever possible, and to facilitate moves to smaller, more suitable accommodation when this makes sense, increasing the availability of larger family homes for other families.

16. **Partnership with housing associations**
The Council will work with the Birmingham Social Housing Partnership group to pursue and develop partnership arrangements with housing associations allowing the development, conversion, purchase, or lease of accommodation to accommodate homeless families.

17. **Joint working in the West Midlands**
The Council will seek to work with the other West Midlands councils and the combined authority on the establishment of common standards and protocols for joint working on temporary accommodation and PRS accommodation used for out of area placements.

18. **Work with government**
The Council will work actively with government to pursue the potential for joint working to tackle family homelessness, through grants, policy changes or otherwise.

19. **Temporary accommodation charter**
The Council will publish a temporary accommodation charter by September 2023 which sets out the minimum standards and services TA residents should expect to receive.

20. **Improved access to services to TA residents**
The Council will improve access to services for children, for employment and training, for health and for financial inclusion and income maximization, by provision of comprehensive and accessible information in these areas to all households in TA and by training of TA support staff.

21. **Improved support for TA residents**
The Council will continue and where possible expand its work to ensure that all households in TA are registered on the allocations system and are claiming any welfare benefits, they are entitled to. This work will also extend to working to remove barriers to move on wherever possible, include issues such as rent arrears, the need for adapted properties, or other matters specific to each household.

22. **Children's education**
The Council will work with Education to seek alternative routes to accessing education for children who cannot attend school. To address this, the Council housing solutions and education teams will work together to to seek alternatives routes to accessing education for children who cannot attend school. This could include development of an online resource to

ensure that children have access to education regardless of location. We will also work with Travel Assist and if possible other transport authorities to upgrade bus passes to bus and rail, reducing travel times and also allowing families to travel further, if necessary.

23. **First night placements**
Through reduction of the use of B&B and the establishment of homelessness centre assessment beds within existing provision, the Council will move to a situation where all first night placements in TA are within Birmingham by Summer 2023.

24. **Annual TA satisfaction survey**
The Council will commission an annual tenant satisfaction survey for TA tenants with the first taking place no later than November 2023.

Annexes

Annex 1. Action plan

Annex 2. Summary of property acquisition financial assessment

Annex 3. TA, B&B, and costs scenario modelling