

Meeting of:	CABINET
Date of Meeting:	11 MARCH 2025
Report Title:	HOMELESSNESS TEMPORARY ACCOMMODATION
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING AND CHANGE
Responsible Officer:	MARTIN MORGANS HEAD OF PARTNERSHIPS AND HOUSING
Policy Framework and Procedure Rules:	This report is requesting a suspension of the Council's Contract Procedure Rules (CPRs) but no amendment to the CPRs is being sought.
Executive Summary:	<p>A Housing Support Programme Strategy approved by Cabinet in December 2023 sets out the challenges the Council faces in terms of housing and homelessness services. A key challenge is the demand and associated cost of temporary accommodation.</p> <p>The report provides an update on temporary accommodation and seeks approval to suspend the Council's CPRs and enter into further agreements with private accommodation providers, in order to enable continuation of short-term arrangements, to meet statutory duties in relation to temporary accommodation.</p>

1. Purpose of Report

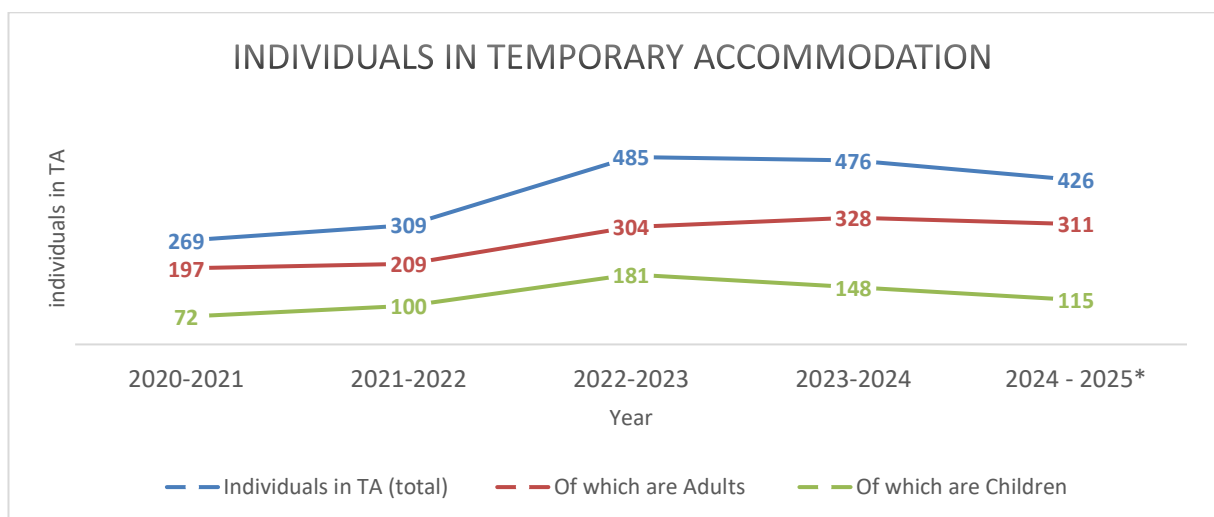
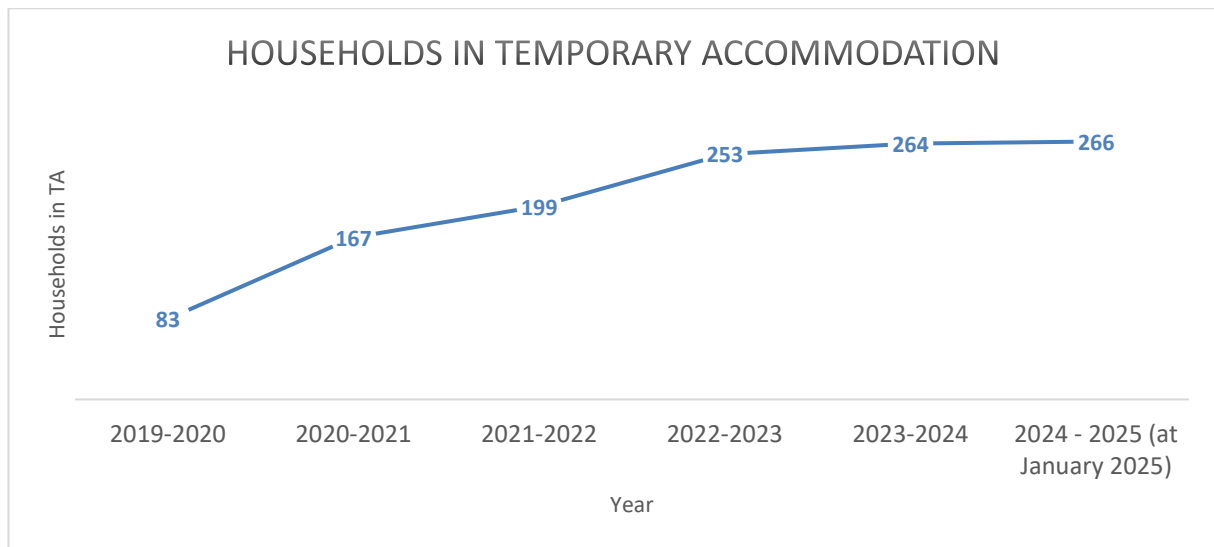
1.1 The purpose of the report is to:

- Seek approval from Cabinet to suspend the relevant parts of the Council's Contract Procedure Rules (CPRs) with regards to the requirement to tender for a contract and delegate authority to the Head of Partnerships and Housing to enter into Service Level Agreements with existing accommodation providers for a period of 'up to' 12 months in order to continue the provision of additional temporary accommodation as necessary to meet the Council's statutory duties.

2. Background

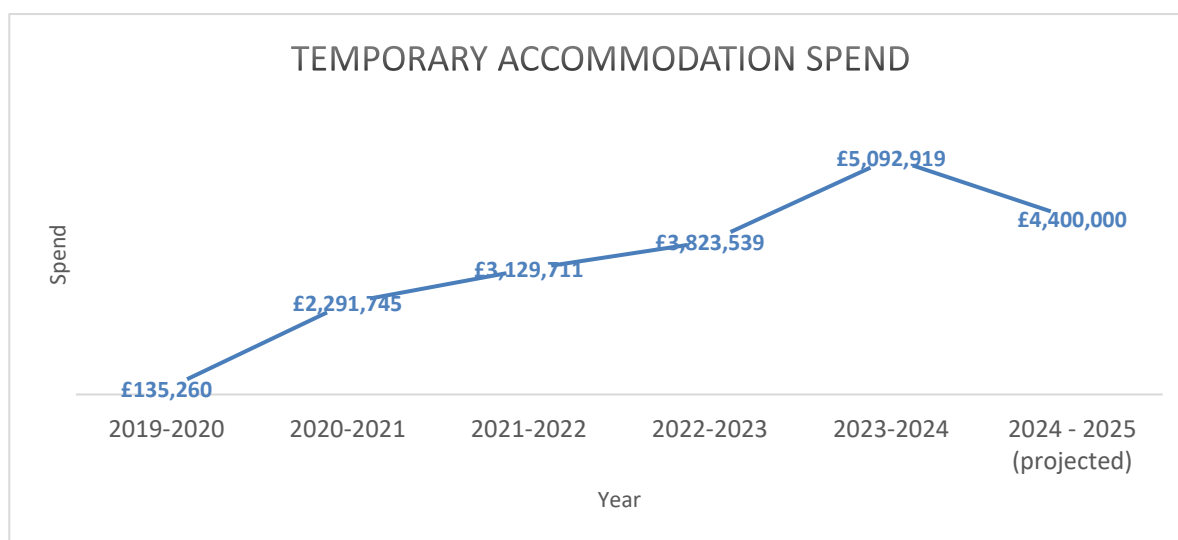
2.1 In December 2023 Cabinet approved a final Housing Support Programme Strategy (Homelessness Strategy) and Action Plan for 2022-2026.

- 2.2 The Housing Support Programme Strategy outlines the challenges the Council faces in terms of increasing pressure on homelessness services. High demand on services, in particular an increase in demand for temporary accommodation, is a key challenge. The graphs below highlight these demands.



- 2.3 The increase in demand for temporary accommodation is largely due to an 'All In' approach to homelessness, initially directed by Welsh Government at the start of the Covid-19 pandemic. Welsh Government introduced a Guidance Note which extended the definition of vulnerable with regards to the 'priority need' criteria set out in the Housing (Wales) Act 2014. In 2022 a new 'priority need' category was added, which amended the legislation to continue the principle of an 'All In' approach.
- 2.4 The demand for homelessness and temporary accommodation services has been compounded by a wider increase in demand for social housing. The total number of applicants on the Bridgend Common Housing Register at the end of each year has increased substantially. In 2019/2020 there were 816 households on the Common Housing Register. At the end of January 2024, there were 3,100 applicants on the Common Housing Register. A combination of the impact of the cost-of-living crisis and a challenging private rented sector are key drivers behind this demand.

- 2.5 The challenges highlighted at section 2.4 above are also key challenges in terms of moving households on from temporary accommodation, meaning households are spending longer in temporary accommodation.
- 2.6 To meet the demands on temporary accommodation highlighted above and ensure compliance with statutory duties to provide temporary accommodation the Council has entered into a range of agreements with private accommodation providers, including those more traditionally used in the tourism sector, such as guest houses and holiday lets. Accessible accommodation for those with disabilities and larger accommodation for families are examples of some of the more costly units secured. The most recent arrangements put in place were approved by Cabinet in March 2024 and are due to expire at the end of March 2025.
- 2.7 The cost implications of the pressures on temporary accommodation are stark. The below graph illustrates this.



- 2.8 BCBC has received increased income to help meet the costs outlined in the graph at 2.7. During the Covid-19 pandemic costs could be claimed from a Welsh Government Hardship Grant. This funding has since been replaced with a Welsh Government 'No One Left Out' Grant, although not at the same levels. For 2022-23 this was £2.067m. For 2023-24 this reduced to £898,694 and for 2024-25 it was £914,848, a significant decrease on the previous grant funding. Rental income and Service Charge income for those accommodated is received but is limited and does not cover costs.

3. Current situation / proposal

- 3.1 Detailed in reports to Cabinet in March 2024 and September 2024 are a range of measures the Council is taking forward to both prevent the need for and improve the suitability / reduce the cost of temporary accommodation. These measures include Council purchases of temporary accommodation, increased supported accommodation options and a capital development programme to increase affordable housing options.
- 3.2 The graphs at paragraph 2.2 suggest that whilst the number of households in temporary accommodation has remained relatively stable in recent years, there has been a decrease in the number of individuals in temporary accommodation. The

number of children in temporary accommodation has reduced by 36% from March 2023 to January 2025. This indicates that measures to prevent homelessness are showing success in terms of supporting families with children, however the pressure on temporary accommodation in respect of single person households has remained high. At the end of January 2025 80% of households in temporary accommodation were single person households.

- 3.3 In relation to costs the graph at paragraph 2.7 suggests that the measures detailed to Cabinet previously and referenced at paragraph 3.1 are making a positive impact. Whilst costs remain high there is projected to be a decrease of 13.6% (£692,919) in aggregated costs between 2023-24 and 2024-25.
- 3.4 This report highlights some positive outcomes in relation to the pieces of work being taken forward to tackle pressures on housing and homelessness. The outcomes of some of these pieces of work remain medium to long term and as such there is a need to continue to address the immediate pressures highlighted in section 2 of the report. As per paragraph 2.6 the Council's current arrangements with private accommodation providers are due to expire at the end of March 2025.
- 3.5 The provision of temporary accommodation is a statutory duty in line with the Housing (Wales) Act 2014. To allow the continuation of the arrangements with existing accommodation providers, it is proposed that the Council's CPRs be suspended and the Council enter into Service Level Agreements with accommodation providers for 'up to' 12 months, in order to meet presenting need.
- 3.6 It is proposed that the agreements with existing accommodation providers be used, to enable consistency in provision for both BCBC and any service users accommodated. By providing this accommodation since the Covid-19 pandemic the accommodation providers have developed experience in providing temporary accommodation and a working relationship with BCBC's Housing Solutions Team, key to the successful management of temporary accommodation placements.
- 3.7 Cabinet needs to be aware that in taking forward this action, the Council is exposed to the risk of potential challenge from other accommodation providers. The Council's CPRs ensure that procurement exercises are lawful and carried out in compliance with Public Procurement Law, in particular the Procurement Act 2023. This report proposes entering into agreements without any competition which breaches the requirements of the Procurement Act 2023 and therefore requires Cabinet's approval to suspend the Council's CPRs.
- 3.8 The risk of challenge is not possible to quantify, however given the need to continue service provision to vulnerable people, the pressures on current homelessness services, and the limited availability of suitable and willing accommodation providers to provide such accommodation, Cabinet may take the view that the potential for challenge is one it is prepared to accept. In addition, due to the specialist nature of provision there are relatively limited numbers of providers of such services.
- 3.9 It is proposed that a further report be brought to Cabinet within 12 months to update on the developing position, with regards to temporary accommodation.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 Tackling homelessness is a Welsh Government priority. The report contributes to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- A prosperous Wales – Reducing homelessness supports a prosperous Wales by reducing cost to the public purse.
- A resilient Wales – Our Housing Support Programme Strategy aims to prevent and relieve homelessness, increasing the resilience of both individuals supported and the general structures in place to support the goal of achieving a position where homelessness in Wales is rare, brief and non-recurrent.
- A Wales of cohesive communities – Preventing individuals from becoming homeless will support cohesive communities.
- A globally responsive Wales – Homelessness is an issue across the globe. These strategic documents set out the approach Bridgend will take to support Wales in its efforts around this agenda.

- 5.2 It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

- 6.1 The prevention and relief of homelessness supports the agenda around climate change. A key priority is to increase BCBC's affordable housing supply to meet demand, with the intention of informing affordable housing schemes to meet these needs. Any schemes developed through the capital programme will be developed in line with Welsh Government planning and standards requirements, which support moves to tackle climate change.

7. Safeguarding and Corporate Parent Implications

- 7.1 Homelessness and housing support services play a key role in supporting BCBC's safeguarding agenda, both from an individual perspective with services often supporting vulnerable individuals, known to safeguarding agencies.
- 7.2 The priorities set out in the Housing Support Programme Strategy reference a need to improve collaboration with key stakeholders, with specific objectives around improving collaboration to implement the national care leavers and accommodation and support framework, a key part of Corporate Parenting implications.

8. Financial Implications

- 8.1 The cost of the established units of accommodation with private providers utilised on a service level agreement basis for temporary accommodation ranges from £40 per night to £150 per night. The cost of each unit is dependent on the nature of the property, for example a 4 bed property will likely cost more than a 2 bed property. It

is estimated that the total cost for a 6 month period will be around £1.55m. This is an estimate at this time as final costs will be negotiated during discussions with accommodation providers, but the service will seek to keep any increase to a minimum. Cabinet should note ad hoc arrangements may still be required in addition, to meet emergency scenarios, which cannot be predicted.

- 8.2 The Quarter 3 Revenue Forecast Report to Cabinet on 14 January 2025 showed a projected overspend on Housing and Homelessness for 2024-25 of £411,000. However, there is a budget pressure included within the Medium Term Financial Strategy 2025-26 to 2028-29 of £400,000 which should mitigate this. For 2025-26 Welsh Government has transferred a number of housing related grants, including the 'No One Left Out' grant, into the Local Government Settlement, which should provide more flexibility.

9. Recommendations

- 9.1 It is recommended that Cabinet:

- Note the contents of this report;
- Agrees to suspend the relevant parts of the Council's Contract Procedure Rules (CPRs) with regards to the requirement to tender for a contract and delegate authority to the Head of Partnerships and Housing to enter into Service Level Agreements with existing accommodation providers for a period of 'up to' 12 months in order to continue the provision of additional temporary accommodation as necessary to meet the Council's statutory duties;
- Delegate authority to the Head of Partnerships and Housing to approve the final terms of the Service Level Agreements on behalf of the Council and to arrange execution of the agreements on behalf of the Council in consultation with the Chief Officer – Legal and Regulatory, HR and Corporate Policy;
- Note that a further report will be presented to Cabinet to update on the position regarding temporary accommodation.

Background documents

None