

To: Cabinet
Date: 18th March 2025
Report of: Nerys Parry, Director of Housing Services
Title of Report: Measures to meet growing demand for Temporary Accommodation

Summary and recommendations	
Decision being taken:	Seeking approval to implement measures to meet demand and bring down cost of Temporary Accommodation
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet member for Housing and Communities
Corporate Priority:	Good, affordable housing
Policy Framework:	Housing, Homelessness and Rough Sleeping Strategy

Recommendation(s): That Cabinet resolves to:
<p>1. Approve the latest set of mitigations the Council is taking, as summarised in paragraph 6 of this report, to increase the provision of temporary accommodation, to improve quality, and decrease cost.</p> <p>2. Delegate to the Director of Housing Services, in consultation with the Cabinet Member for Housing and Communities, the Director of Law, Governance and Strategy, and the Group Finance Director:</p> <p>(i) subject to the parameters as set out in paragraph 19, authority to agree the properties to be acquired and the detailed terms for the acquisition of properties and enter into all necessary documentation to effect the acquisition of each property into the Housing Revenue Account for the use of Temporary Accommodation; and</p> <p>(ii) authority to enter into necessary agreements or contracts required, and to authorise expenditure, for any works required to convert or carry out works to (a) any new properties acquired by the Housing Revenue Account or (b) to suitable existing properties from the General Fund to enable them to be used for Temporary Accommodation and to ensure compliance prior to occupation</p> <p>Provided all such expenditure is within the £32 million capital budget as contained in the MTFP.</p>

3. **Note** the additional measures as set out in paragraphs 21 to 26 of this report.

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Risk register	No
Appendix 2	Equality Impact Assessment	No

Introduction and background

1. Temporary Accommodation (TA) is short-term housing the Council must provide for households whom the authority has reason to believe are eligible, homeless and in priority need as prescribed under housing legislation. Its purpose is to assist homeless families and vulnerable households as they seek suitable long-term accommodation. This is a statutory obligation that the Council is required by law to fulfil.
2. The Council provides TA through properties it owns (via the Housing Revenue Account and General Fund), as well as through private sector leases. If required, accommodation may also be sourced on a nightly paid basis in B&Bs, hotels or self-contained short-term leases to meet demand.
3. Since 2022 the Council has experienced a significant and sustained increase in placements into TA, due to increased levels of homelessness in the city. This is in line with national trends, but is particularly acute in expensive urban areas in the south of the country.
4. The placement rate into TA in Oxford now averages over 10 households per week, significantly higher than before the current crisis, and means the number of households in TA has been gradually climbing for several years now. The Council has been successful in growing its TA stock to help meet demand, but has been unable to keep pace with demand, with the expansion of council owned and managed stock requiring investment and time to source. This means the Council still has between 130 and 150 households in a combination of hotels, and B&B and expensive nightly charge self-contained accommodation.
5. This use of short-term accommodation is putting significant financial strain on the Council, expenditure on hotels and nightly charge accommodation is projected to be around £2.4m in 25/26 and forecast to rise further unless the Council puts more mitigations in place. Therefore, Housing Services have developed a new package of measures to seek to decrease the use of expensive and lower quality forms of TA to

reduce cost, both through the prevention of homelessness and by further increasing housing supply.

6. Due to these pressures, as part of a larger package of measures, this paper seeks approval and delegations to enable officers to deliver the following mitigations in order to ensure the cost of TA is reduced:
 - Use of the identified £32m investment to:
 - a. Acquire up to 150 additional temporary accommodation units.
 - b. Review, and where suitable properties are identified, bring forward the appropriation of Council's assets identified that could be converted in to TA
 - c. Undertake all works required to convert any existing General Fund properties; convert any new properties acquired; or enter into advance purchase agreements for properties being developed; and undertake any other works required prior to occupation.
7. The paper also updates on a number of other crucial projects to increase the prevention of homelessness and increase the move on from TA, all part of a package of measures to bring down TA costs. These do not require additional approvals or delegations, and are only for note. They include:
 - The creation of a new Face-to-Face centre, focused on the prevention and assessment of homeless households, to increase the quantity and quality of homelessness prevention work, and help ensure accurate assessment of homelessness applications.
 - Investment into new ICT infrastructure for the Housing Needs team
 - The piloting of a new move on scheme from temporary accommodation.

Temporary Accommodation demand and supply

8. Oxford City Council continues to experience sustained and significant pressure on its TA services. The number of households requiring TA has more than doubled over the past several years, rising from 116 in March 2023 to 309 in November 2025. This increase reflects a combination of factors, including the cost-of-living crisis, rapidly rising private sector rents, and the ongoing shortage of affordable private and social housing in Oxford and surrounding areas. These trends are being seen across the Country, and in particular in more expensive housing markets in the south of England.
9. The Council has made considerable progress over the last 12 months to respond to demand and increase the supply of temporary accommodation, since the last package of TA mitigation measures was agreed by Cabinet in July 2024. The Council has invested in prevention services, grown its TA stock, and maximised move on from TA. The Council TA stock has grown from approximately 100 units in 2023, to 212 in November 2025, and on course to reach 300 by December 2026. This has been achieved via long term leasing from private landlords and Housing Associations, purchases enabled through the governments Local Authority Housing Fund, and conversions of units from general needs to TA in Housing Revenue Account. The Council is also in the process of decanting two former sheltered housing blocks, enabling their conversion to TA.

10. Despite proactive measures to increase TA supply, the demand for TA continues to outpace delivery of new TA units. This has resulted in continued reliance on out-of-area placements and the use of bed and breakfast accommodation, particularly for single-person households and some with complex needs. This has resulted in significant TA cost increases and overspends as we pay providers of hotel/ B&B and nightly charge agents, as outlined in the finance section. The Council is on track to own or directly manage 300 TA units next year, but already has 309 households in TA, growing week by week. Forecasts suggest this number could reach to between 500-600 households in 2 years time, which would expose the Council to millions of pounds in additional overspends.
11. In this context, it's crucial that the Council takes steps now to mitigate this risk, by increasing the supply of temporary accommodation, and taking other steps to lower TA use such as through further improving prevention and move on.

Households in Temporary Accommodation

Financial Year	Total Households
March 2023	116
March 2024	246
March 2025	275
November 2025	309

Average weekly Temporary Accommodation placement rate

Financial Year	Weekly average
April 2022 to March 2023	4.38
April 2023 to March 2024	9.38
April 2024 to March 2025	9.42
April 2025 to March 2026	10.21 (Average by November)

Additional new supply of temporary accommodation

12. The Council's 26/27 budget and MTFP has made provision for £32m investment from the HRA into additional temporary accommodation provision, over the next three years.
13. This paper proposes to seek project approval from Cabinet to utilise the monies to allow it to be used to undertake a range of mitigation measures. Firstly it is proposed that the project will utilise the funds and target the acquisition or conversion of up to 150 units. These will be a range of acquisitions and appropriations of properties as they are identified and due diligence is undertaken.
14. The speed of delivery needed, targeting 25% delivery in financial year 26/27, means a major part of this programme is likely to be property acquisitions from the market. Singular acquisitions alone would not be able to deliver the number of units required

fast enough, with single property transactions generating significant work slowing the programme down, so it's also planned that larger transactions with multiple units that can still deliver at pace will be considered. Examples of this type of transaction include the purchase of former student blocks, former keyworker accommodation, hotels etc, and could include office to residential conversion, but the conversion time would have to be factored into plans. Any works required to convert properties to TA or other general works required prior to occupation are to be included within the £32m total investment.

15. Units and sites have yet to be identified, although work to identify these opportunities is underway. The preference for location for units will be Oxford, allowing homeless households to stay close to work, schools, services and networks. However, its expected to not be possible to source sufficient accommodation in Oxford, so locations in the wider county will be considered as well, while ensuring that the next nearest areas are considered first, and that anywhere we use has good, regular and affordable transport links to Oxford. This will also ensure we stay compliant with homelessness legislation which requires this consideration when considering the suitability of accommodation.
16. In general, the Council favours “additionality” when adding to the Council’s housing stock, growing the overall housing available to everyone in Oxford, this would however be a challenge in this project, as initial scoping, through to planning and then construction takes typically longer than the three year acquisition programme we require, with the first units aimed to be acquired in 26/27, however as we proceed any opportunities to deliver new accommodation at pace will be considered.
17. These new plans to acquire 150 units, combined with the existing plans to reach 300 units, and other plans to increase private landlord and housing association leasing, and continuing with some conversions from the HRA, means the Council can re-forecast and now expects to own or directly manage 560 units by financial year 28/29. This would meet projected demand, and allow us to end long-term hotel and B&B use. This would generate a combination of £5.2m in annual savings and cost avoidance by 28/29.
18. Officers require delegations in order to progress at pace with the programme and not being required to return to Cabinet for each transaction. Without this, the timescales outlined would not be obtainable, and savings in the MTFP would not be delivered. It should be noted however this will only be for acquisitions, and not any appropriations, however acquisitions will make up the bulk of the planned supply.
19. It is appropriate for Cabinet to set clear parameters to officers when using the delegation to purchase properties or land for use as TA. The parameters where officers can use the delegation are as follows:
 - For acquisitions from £750,000 up to and including £5,000,000 (Under £750,000 a general delegation already exists for officers. For acquisitions over £5,000,000 Cabinet approval will need to be obtained.)
 - Property and land must be located within Oxfordshire
 - Any property or land must provide vacant possession on completion

- Any property or land must be Freehold or Leasehold (with no restrictive clauses on occupation for Temporary Accommodation)

20. We have built in flexibility in the programme if demand and forecasts of future TA demand changes over the years of the programme. If this occurs in the next three years while the programme is still rolling out it would be possible to pause acquisitions, using less of the budget, if that's assessed as the right approach. If demand drops in future years once the units have already been bought, the Council will have different options in terms of ending privately leased TA saving additional budget, or converting homes used as TA back to general needs social housing to meet wider housing need. This flexibility, and the positive options it could open for the Council for the future, means we assess the risk of the Council having excess TA as low.

New client Face-to-Face offer

21. The Council is also focused on the prevention of homelessness and bringing down the placement rate, building on our previous investments into additional prevention services over the last couple of years. Looking at best practice in other Councils, our next proposed step is to increase our in-person offer to homeless households. Currently 20% of homeless clients are assessed at Central Library, with a further 5-10% via home visits, with the rest over the phone. Speaking to other Councils and central government homelessness advisors, this is not the typical approach in urban authorities, and most offer more assessment and prevention services face to face.
22. The argument for this is that face-to-face homelessness services are more personal and tailored to households, with officers better able to explore opportunities to prevent homelessness and assess health and other needs, leading to better support and decision making. The Council has a relatively high rate of single homelessness individuals with support needs, and this approach in particular could benefit them. Face to face assessment will also help officers with decision making on homelessness applications, to ensure we only place into temporary accommodation those households who qualify, which can be more difficult over the phone. Only a small increase in prevention rates, and resulting decrease in placement rate could generate significant savings for the Council.
23. A site for a new face to face offer has been identified on George Street in the City Centre, it has the necessary room and accessibility to function well as a centre to support homeless households. The Council will continue to offer home visiting and phone-based services for those unable to access face to face services at the new centre. Its currently expected the Council's current customer services offer in Central Library will also move to the new centre, after it was confirmed they did not have the capacity to host the new offer at the library. We hope to collocate with other services at the new sites, subject to negotiation with them.
24. Work is underway to establish the new offer, with the aim it will launch in the spring of 2026. Capital and revenue budget for the offer has been made available via the Council budget/ MTFP.

Other measures to further lower Temporary Accommodation use

25. ICT upgrades are being procured within Housing Services, to provide additional homelessness prevention tools for staff, and to increase efficiency in the service area so that staff can spend more time working with clients to prevent and relieve homelessness. Functionality being procured includes new online tools to allow clients to self-serve and access documents and housing plans online, better interfaces for staff to do their work to help save time, and online forms integrated directly into the Council system ending the need for burdensome admin for data input from forms. The costs for this work are below Cabinet thresholds, and budget for them has been secured via the MTFP.
26. The Council will also launch a new move on pilot in the coming months, and as a result is currently procuring a new support contract to help single adults living in temporary accommodation or a risk of being placed into temporary accommodation, to provide support to help rehouse them into the private renter sector. This is to directly address the high numbers of single adults living in the Councils temporary accommodation, and the insufficient affordable one-bedroom units becoming available to rehouse them. The contract will both involve support to ready individuals for living in private accommodation, with support to ready clients to have a tenancy and access to benefits/ employment support, but also work to directly procure more private tenancies for clients, through working with landlords and offering deposits/ rent in advance and guarantees. The pilot will run for an initial 12 months, with ongoing assessment of its effectiveness to inform if its extended and/ or made business as usual. The cost for this pilot is below Cabinet the threshold, and budget for them has been secured via the MTFP.

Options

27. **Option one - To proceed with the recommendation, acquiring accommodation to increase the councils TA stock (recommendation).** This is the recommended package, due to the arguments made in this paper. While different measures can be taken by local authorities to bring down TA costs, these measures as part of a wider package have been developed using insight of the Oxford housing market and information held on our clients, best practice elsewhere, and building on successful measures implemented by the Council. Cabinet will need to approve the requested permissions and delegations to enable this work to proceed.
28. **Option two – Do nothing, and don't proceed with measures.** Officers assess this as not a viable option. The recommendation is to undertake work to increase the TA stock, a different package is unlikely to deliver sufficient TA stock to meet demand. The Council would need to budget for millions of pounds in additional TA costs through the MTFP as hotel and B&B use increases further, and therefore consider other options to increase income or reduce cost in order to set a balanced budget.

Financial implications

29. The budgets for both the acquisition / construction of TA units (£32m), and the capital works for the creation of a bespoke face to face centre (£75k) have been included in the proposed MTFP capital programme for 2026/27 to 2029/30.
30. The revenue savings in respect of the external TA costs are up to £560 per week per property – a total saving of up to £4.368million per year. This compares to the

estimated annual interest cost of £1.598million - an estimated net annual saving of £2.770million per year.

Legal issues

31. The Council's constitution delegates decisions to approve acquisition of freehold or leasehold properties of up to £750k to officers. These recommendations are potentially significantly above this threshold and therefore an express delegation of authority for acquisitions within the parameters set out in paragraph 19 is required so that officers may approve them. The alternative would be to return to Cabinet on a case-by-case basis for approval. This would not only increase the amount of work for the Cabinet but potentially cause delays in delivery of the acquisition programme.
32. Any appropriations of property held by the Council must be compliant with the Council's statutory duty to obtain best consideration reasonably obtainable pursuant to Section 123 of the Local Government Act 1972, and this will be reviewed when any appropriation is brought forward to Cabinet

Level of risk

33. Please see attached risk register.

Equalities impact

34. Please see attached Equality Impact Assessment.

Carbon and Environmental Considerations

35. There are few environmental considerations arising directly from this report. Any property purchased into the HRA will need to comply with the Decent Homes Standard, Housing Health & Safety Rating System (HHSRS) and meet EPC rating of C or above. The properties will go through voids process to ensure they are brought up to a lettable standard in line with other allocations of housing. Each site will be assessed independently on carbon and environmental considerations

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