



Housing, Communities and Local Government Committee

The Housing, Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Housing, Communities and Local Government and its associated public bodies.

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Fourth Special Report

The Housing, Communities and Local Government Committee published its First Report of Session 2024–25, <u>England's Homeless Children: The crisis in temporary accommodation</u> (HC 338), on 3 April 2025. The Government response was received on 29 May 2025 and is appended below.

Appendix: Government Response

- 1. The Government welcomes the Housing, Communities and Local Government Committee's inquiry into children in temporary accommodation, published on 3 April 2025. We are grateful to the Committee and all those who provided evidence and are keen to work with the Committee on their recommendations as we develop the homelessness strategy. It is important that we integrate the expertise and collective effort across sectors and organisations, across national Government, regional Government and local Government to tackle this challenging agenda.
- 2. This Government has inherited an acute and entrenched housing crisis.

 Homelessness levels are far too high; this can have a devastating impact on those affected, especially children. Too many children are spending years in temporary accommodation, at a point in their lives when they need space to play and develop, nutritious food to thrive and access to stable education.
- 3. The Deputy Prime Minister is leading cross-government work to deliver the long-term solutions we need to get us back on track to ending all forms of homelessness. This includes chairing a dedicated Inter-Ministerial Group (IMG), bringing together ministers from across government to develop a long-term strategy. The Minister for Homelessness and Democracy has also established an Expert Group to bring together representatives from across the homelessness and rough sleeping sector, local and combined

- authorities and wider experts to provide knowledge, analysis and challenge to help Government understand what is working well nationally and locally, and where improvements are needed.
- 4. We are already taking the first steps to get back on track to ending homelessness. Funding for homelessness services in 2025/26 increased by £233 million compared to 2024/25. This increased spending will help to prevent rises in the number of families in temporary accommodation and help to prevent rough sleeping. This brings the total spend to nearly £1 billion for this year.
- 5. We must address the growing use of Bed & Breakfast (B&B) for homeless families first. Not only does this form of accommodation provide limited stability for families and often lack basic facilities such as proper cooking facilities, it is also among the most expensive for councils. We must address this and ensure that where homelessness cannot be prevented, temporary accommodation provides safe, decent housing with as much stability for children as possible. We want to see the use of emergency accommodation for homeless families reduce and to eliminate the use of B&Bs for families other than in genuine emergencies. The Government is working with 20 local authorities with some of the highest use of B&B for homeless families under the £8 million Emergency Accommodation Reduction Pilots, to kickstart new initiatives to support local authorities to move families into more suitable accommodation.
- 6. The Government is also tackling the root causes of homelessness. At Spring Statement, the government announced an immediate injection of £2 billion to support delivery of the biggest boost in social and affordable housebuilding in a generation and contribute to our ambitious Plan for Change milestone of building 1.5 million safe and decent homes in this Parliament. The investment made at the Spring Statement follows the £800 million in new in-year funding which has been made available for the 2021–26 Affordable Homes Programme and will support the delivery of up to 7,800 new homes, with more than half of them being Social Rent homes.
- 7. In addition, the third round of the Local Authority Housing Fund (LAHF) is backed by £500 million to deliver over 2,700 homes by 2026. This will create lasting assets by building a sustainable stock of affordable housing and better-quality temporary accommodation for local communities.
- 8. The Renters' Rights Bill is also progressing at pace and will abolish Section 21 'no fault' evictions, preventing private renters being exploited and discriminated against, and empowering people to challenge unreasonable rent increases.

- 9. The Bill will also allow minsters to make regulations to extend the Decent Homes Standard (DHS) and Awaab's Law to temporary accommodation. Our intention is that as much of the sector as possible is covered by the DHS, subject to consultation on the detail of the new standard. We also plan to consult on how best to apply Awaab's Law to temporary accommodation occupied under licence, thereby ensuring we strike the right balance by providing protections to residents while avoiding risk to supply.
- **10.** The Government response to the Committee's recommendations is set out in full below.

This section sets out the Government's response to the recommendations contained within the Committee's report.

Growing up in temporary accommodation

Recommendation 1: The Ministry of Housing, Communities and Local Government must require all local authorities in England to carry out mandatory inspections of housing before it is first used as temporary accommodation, and whenever new residents are placed in the property. All local authorities should publish annual reports online to set out an overview of the main findings of these inspections. The Government should provide additional funding, in line with the new burdens doctrine, to local authorities to ensure that they can carry out and report on these inspections. (page 16)

- **11.** There are legal requirements, guidance and redress routes in place for temporary accommodation.
- 12. We are already taking action on the issues raised by this recommendation. Through the Renters' Rights Bill the Government is introducing powers to apply the Decent Homes Standard (DHS) to the private rented sector and a power to bring temporary accommodation into scope of the DHS. The Government's intention is that the Decent Homes Standard should apply to temporary accommodation, subject to consultation on the detail of the new standard, including how applicable it is to temporary accommodation. This consultation will look at appropriate enforcement mechanisms to ensure standards are being applied across local authorities' temporary accommodation stock.

Bed & Breakfast temporary accommodation

Recommendation 2: If the Government believes that the Local Government and Social Care Ombudsman is the most suitable avenue for redress when local authorities fail to adhere to their statutory duties regarding temporary accommodation, the Government must work with the Ombudsman to review its resourcing, statutory jurisdiction, and powers, so that it can investigate all complaints of unsuitable temporary accommodation and take appropriate action with haste. (page 23)

Government response

- 13. The Local Government and Social Care Ombudsman (LGSCO) provides an essential service investigating complaints when a homeless applicant is not satisfied with how the council has handled their case. It is important to have an independent body to review such cases.
- **14.** The LGSCO received increased funding for 2025/26 in recognition of increased demand. We will continue to engage with the LGSCO to consider demand in regard to homelessness cases.

Recommendation 3: The Government must update the Code of Guidance to clearly demonstrate local authorities' foremost duty to mitigate safeguarding risks when making decisions on placements for families with children. The Government should work with local authorities to bring an end to placements of families in temporary accommodation with kitchens or bathrooms shared with single adults housed in the same building. (page 23)

- 15. Current legislation is very clear that B&B accommodation is not suitable for children and should only be used in emergencies and then only for a maximum of six weeks. B&B accommodation is privately managed, meaning the council has less control over who else the household might be sharing facilities with, increasing safeguarding risks for children. It is for this reason government is clear B&B accommodation is not suitable for families and we are determined to eliminate its use for families other than where no other accommodation is available, and then only for a maximum of six weeks.
- **16.** For placements into other forms of temporary accommodation where facilities are shared, we strongly agree with the Committee on the need for local authorities to consider safeguarding risks. We do not agree with the

Committee that councils should never place families in accommodation where facilities are shared with single adults. While we agree it should be rare, there will be instances where well managed placements can be appropriate; for example, placing a single young person in a family hostel for a short period in an emergency may be more appropriate than placing them in an adult hostel. We will, however, consider how to strengthen the Homelessness Code of Guidance in relation to safeguarding considerations when making TA placements as well as development of toolkits and practical guidance for good temporary accommodation placement management.

Recommendation 4: In its response to this Report, the Government should set out its assessment of whether the Homelessness (Suitability of Accommodation) (England) Order 2023 is fit for purpose; and whether updating legislation and the Code of Guidance to refer to "nonself-contained accommodation" rather than "B&Bs" would enhance protections for families placed in temporary accommodation with shared facilities. (page 23)

Government response

- 17. Where the temporary accommodation is not managed by a local authority, a registered social landlord, or voluntary organisation, accommodation types such as hostels as cited in the report will be covered by the definition of B&Bs in the legislation. We are clear that privately managed accommodation that involves sharing facilities with other households is generally not suitable for families because of the safeguarding risks it presents to children.
- **18.** There is a place for good quality accommodation with shared facilities for families. It can provide the necessary stepping stone to assess and support their needs before moving families into further interim or move on accommodation.

Recommendation 5: The Government's forthcoming strategy on ending homelessness must set out a clear plan to end placements of families in temporary accommodation with shared facilities, starting by reducing and eliminating placements of over six weeks. (page 24)

Government response

19. As set out in response to recommendation 4 above, we do not agree with the Committee that it will never be appropriate for families to be accommodated in temporary accommodation with shared facilities. There can be a role for good-quality accommodation with shared facilities of the types not included in the statutory B&B definition.

- 20. However, we have been clear we want to see the use of emergency accommodation for homeless families reduce and to eliminate the use of B&Bs for families other than in genuine emergencies. The homelessness strategy will be an essential part of the Government's plans to achieve this.
- 21. The Government is working with 20 local authorities with some of the highest use of B&Bs for homeless families, through the £8 million Emergency Accommodation Reduction Pilots. MHCLG's team of homelessness experts will work in partnership with these local authorities to identify solutions which will work for their local circumstances. This will support local authorities to move families into more suitable accommodation.

Out of area temporary accommodation

Recommendation 6: The Government must improve the quality of data on local authorities' use of out-of-area placements. It should require all local authorities to report to the Department quarterly on instances of out-of-area placements as part of their H-CLIC data report, including the distance of placements, why out-of-area placements were used, and the type of accommodation used for households placed out-of-area. The Department should consider ways of making H-CLIC data more publicly accessible, such as through an online homelessness data dashboard, to support local authorities to better understand homelessness pressures in their area, and to improve public awareness. (page 29)

Government response

- 22. Local authorities are already required to report to the Ministry of Housing Communities and Local Government (MHCLG) on instances of out of area placements as part of their quarterly Homelessness Case Level Information Collection (H-CLIC) return.
- 23. We are considering different presentations of out of area placements data in order for it to be more helpful and publicly accessible, as well as working with local authorities and MHCLG's expert homelessness advisors closely to ensure data quality and reporting practices improve.
- **24.** We aim to continually improve all our published products, including improving accessibility. We currently produce a performance dashboard quarterly, as well as a flows dashboard and a support needs dashboard annually.

Recommendation 7: The Government must issue guidance to discourage local authorities from acquiring properties outside of their authority boundaries to use as temporary accommodation. Where this is not possible, the local authority must notify prospective host local

authorities before it purchases any properties out-of-area. The Government should consult on introducing a limit on the distance of all out-of-area placements. (page 30) and

Recommendation 8: The Government should update the Code of Guidance to require local authorities to notify the host authority before they make an out-of-area placement. This will ensure local authorities are co-operating and sharing local expertise effectively, to ensure suitable accommodation and support is available to families placed out-of-area, and to mitigate the impacts on host authorities. (page 30)

Government response

- 25. Suitability legislation and guidance sets out that the local authority should only use out of area placements when it is not reasonably practicable to place the applicant locally. However, we recognise this is increasingly challenging.
- 26. The Government has made clear that homes funded by the Local Authority Housing Fund (LAHF) should be acquired within the local authority's own area as far as possible. Our LAHF3 prospectus makes clear that this should be the case, unless otherwise agreed with both the other local authority and by the Department by exception.
- **27.** The Government will consider ways to further define where out of area placements are acceptable and expectations on placing and receiving local authorities.

Recommendation 9: As the Government seeks to establish 'consistent identifiers' for children through its Children's Wellbeing and Schools Bill, it should ensure that these can be used as a formalised notification system, so that a child's school and GP are alerted when they move into temporary accommodation. This should be introduced alongside a focus on improving data reporting and sharing between public services, to fully understand the health impacts of temporary accommodation on children. (page 30)

Government response

28. Keeping children safe is a priority for this Government. Practitioners supporting children and families must find, receive and share relevant information to assess risks effectively. A consistent identifier can help improve information sharing, but all barriers to poor information sharing must be addressed. We have taken swift action to lay provision in the Children's Wellbeing and Schools Bill to introduce a single unique identifier (SUI) nationally.

29. Across the Ministry of Housing, Communities and Local Government, the Department for Health and Social Care and the Department for Education, we are considering policy options on this issue to improve the lives of children in temporary accommodation.

Recommendation 10: The Government should provide an update on its efforts to connect homelessness data with data from other public services, including health data, to take a more holistic approach to understanding the drivers of homelessness in England. It should also consider how it may improve data collection and reporting of the housing circumstances of A&E admissions and GP referrals, and of school absenteeism, to improve understanding of how temporary accommodation impacts children's health and education. (page 31)

Government response

- 30. The linking of data holds significant potential for the wider public sector. Improved data linking would enable more effective government policy, drive world-class research, facilitate joined-up public services and support the delivery of wider government missions, for example tackling child poverty and tackling homelessness.
- 31. We are working closely across the Ministry of Housing, Communities and Local Government (MHCLG), the Department for Health and Social Care and the Department for Education on data linking programmes such as Education and Child Health Insights from Linked Data (ECHILD) and Better Outcomes through Linked Data (BOLD) and will be exploring how these platforms could offer short-term solutions around linking temporary accommodation and Pupil Data.
- **32.** MHCLG has recently published a report setting out findings from the BOLD project. The 'Repeat Homelessness' report can be found here: Better
 Outcomes through Linked Data: Repeat homelessness report GOV.UK.

The Government's strategy to end homelessness

Recommendation 11: In its response to this Report, the Government should provide:

- an update on the work of the Inter-Ministerial Group to date;
- the dates and attendance of any Inter-Ministerial Group meetings since January 2024;

- the names of each Minister or job title of each official who attended each Inter-Ministerial Group meeting from November 2024 to present; and
- an update on the Inter-Ministerial Group's focused engagement with children and families, and how this will inform the forthcoming strategy.

The Government should publish updates on the Inter-Ministerial Group's work after each of its meetings, including a summary of what was discussed. (page 34–35)

Government response

- 33. The Inter-Ministerial Group (IMG), chaired by the Deputy Prime Minister, includes ministers from across government and is focused on developing a long-term strategy to get us back on track to ending homelessness. This includes ministers from the Ministry of Housing, Communities and Local Government, Home Office, Department for Education, Department for Work and Pensions, Department for Health and Social Care, Ministry of Defence, Ministry of Justice, Cabinet Office, and His Majesty's Treasury.
- **34.** In line with the practice of successive administrations, detailed minutes of ministerial meetings even those that are declared publicly are not normally disclosed. It is right that ministers have the space needed to discuss and develop policy which is subject to collective agreement.
- **35.** As well as the work of the IMG we are also working closely with the homelessness sector to deliver a number of lived experience forums, to ensure that the voices of those with lived experience are reflected in the homelessness strategy.
- **36.** We will review the purpose of the IMG after publication of the homelessness strategy.

Recommendation 12: The Group should consider how Awaab's Law will be extended to temporary accommodation. The strategy on ending homelessness must clearly outline how all accommodation providers will be expected to fulfil this new requirement. Once Awaab's Law is in force in temporary accommodation, the Government must require local authorities to provide homeless residents with information about their rights and the complaints process. (page 35)

Government response

- **37.** The IMG is considering all relevant policy and interventions that would have an impact on homelessness and rough sleeping.
- 38. The Renters' Rights Bill will extend Awaab's Law to the private rented sector (PRS), allowing us to set clear legal expectations about the timeframes within which landlords in the PRS must make homes safe where they contain serious hazards, such as damp and mould. The Bill will also allow us to apply Awaab's Law to temporary accommodation occupied under licence through regulations. We plan to consult on how best to apply Awaab's Law to such accommodation. This will allow us to ensure we strike the right balance by providing protections to residents while avoiding risks to supply.

Recommendation 13: The Group should also consider whether the current balance of responsibilities for homelessness policy between local authorities and central government is compatible with a national strategy on tackling homelessness. The strategy on ending homelessness must address how government ministers will take ownership of and be held accountable for progress towards ending homelessness and delivering on the commitments in the strategy. (page 35)

Government response

39. We recognise the importance of balancing responsibilities between central government and local authorities, and the importance of accountability. The homelessness strategy will provide more detail on this.

Recommendation 14: The Group should publish its final output, a strategy on ending homelessness, by July 2025—before the summer recess—so that the Government, homelessness organisations, and local authorities have sufficient time to start implementing the strategy and making meaningful progress towards ending homelessness during this Parliament. The Inter-Ministerial Group should continue to meet at least quarterly after the strategy is published and should publish quarterly updates on the strategy's implementation. As part of each quarterly meeting, the Group should review the Government's quarterly homelessness statistics and consider any changes to the strategy that may be required in light of the data. (page 36)

Government response

40. We will publish the homelessness strategy later this year. We continue to make progress in the meantime, including increasing funding for homelessness services in 2025/26 by £233 million. This increased

- spending will help to prevent rises in the number of families in temporary accommodation and help to prevent rough sleeping, bringing the total spend to nearly £1 billion.
- 41. At Spring Statement, the government announced an immediate injection of £2 billion to support delivery of the biggest boost in social and affordable housebuilding in a generation and contribute to our ambitious Plan for Change milestone of building 1.5 million safe and decent homes in this Parliament. We have also provided two immediate one-year cash injections to top up the existing Affordable Homes Programme of £800 million in total with the expectation this will deliver up to an extra 7,800 homes.
- **42.** The Renters' Rights Bill is progressing through Parliament at pace, which will abolish Section 21 'no fault' evictions, one of the leading causes of homelessness, preventing private renters being exploited and discriminated against, and empowering people to challenge unreasonable rent increases.
- **43.** We will review the purpose of the IMG after publication of the homelessness strategy.

Recommendation 15: MHCLG and the Department for Work and Pensions must use the Inter-Ministerial Group as an opportunity to evaluate the link between welfare reforms and homelessness, particularly regarding LHA rates. We agree with the Government on the principle that, as far as possible, homelessness funding should be directed towards preventing homelessness in the first place. The Group should consider how best to move towards this preventative model while ensuring there are no unintended consequences for local authorities. Specifically, it should consider the impact of the 49% ringfence of HPG funding for prevention on local authorities that are currently spending a high proportion of HPG funding on temporary accommodation. (page 41)

- **44.** The Government currently spends around £34 billion annually on housing support including around £12 billion in the private rented sector. Local Housing Allowance (LHA) rates, which set the maximum level of support in the private rented sector, were last increased in April 2024 costing approximately £7 billion over 5 years.
- **45.** When considering LHA for 2025/26, the Government considered a range of factors, such as the rental market; impact of LHA, including the impact on cross-government issues such as homelessness; and the fact that rates had been increased the previous year. In the challenging fiscal context, at Autumn Budget the Government prioritised investing £1 billion in funding for both the Household Support Fund (HSF) and Discretionary Housing

- Payments (DHPs) (including Barnett impacts) for 2025/26, maintaining DHP funding at the same levels in England and Wales. This allows councils to provide discretionary support to those most in need.
- 46. DWP continues to work closely with MHCLG to make sure that links between housing and benefit policy are considered, including when the LHA rates for 2025/26 were considered, and through the homelessness Inter-Ministerial Group. Any future decisions on LHA will be taken in the context of the Government's missions; goals on housing; and which measures can best meet Government ambitions within the challenging fiscal context. The most recent increase in April 2024 cost around £7 billion over 5 years.
- 47. We have increased the Homelessness Prevention Grant (HPG) by £192.9 million in 2025/26 and created the 49% ringfence to be spent on prevention, relief and staffing activities, so that more work can be done to prevent families from entering temporary accommodation and save costs in the long-term.
- 48. The HPG was never intended to meet all costs of temporary accommodation. Local authorities can also draw on the wider government settlement, which is over £69 billion in 2025/26. The HPG increase of £192.9 million also took into account the increase in temporary accommodation pressures in 2025/26. The decision on the level of the prevention ringfence was made based on local authority spend declarations submitted in 2023/24, which showed that an average of 49% of total HPG funding was spent across these activities. We will continue to monitor local authority spend throughout 2025/26.

Recommendation 16: The Government should extend its support for local authorities to acquire their own temporary accommodation stock through the Local Authority Housing Fund, including by acquiring empty affordable homes delivered through planning obligations. These new homes should be acquired within the local authority's own area as far as possible. The Government should also consider the issue of empty affordable homes as part of its forthcoming long-term housing strategy with regard to the investment barriers, such as environmental requirements, which are preventing housing associations from taking on new social housing stock. (page 41)

Government response

49. The Government agrees with the Committee that the Local Authority Housing Fund can play an important role in enabling councils to acquire properties for use as temporary accommodation. Earlier this year we announced a £50 million increase to the third round of the Fund (LAHF 3), taking the total funding for this round to £500 million (alongside around

£30 million of existing funding from earlier rounds of the programme being reallocated). The majority of the additional £50 million will be used to procure better quality temporary accommodation so that local authorities can support local families in need of housing. Local authorities are able to use this funding to acquire homes developed through planning obligations. The Government also agrees with the Committee that homes funded by LAHF should be acquired within the local authority's own area as far as possible. Our LAHF 3 prospectus makes clear that this should be the case, unless otherwise agreed with both the other local authority and by the Department by exception.

- 50. The Government has taken further steps to support local authorities to deliver more affordable homes including via planning obligations. We have permitted councils to keep 100% of the receipts generated by Right to Buy sales, so that they are better able to build and buy new homes. We have also provided flexibility for councils to combine their Right to Buy receipts with Section 106 contributions (this flexibility will be in place until the end of 2025/26 and then subject to review).
- 51. The Government recognises the particular concerns about reduced appetite from Registered Providers of social housing to buy affordable homes delivered under Section 106 agreements. An important cause of the problem is a reduction in Registered Providers' financial capacity over recent years, as a result of real terms rent cuts, rising costs and higher interest rates. The Government recognises that Registered Providers need support to build their capacity and make a greater contribution to affordable housing supply.
- 52. We have consulted on a new five-year rent settlement for social housing under which Registered Providers would be permitted to increase rents in real terms each year. The proposed rent settlement aims to give Registered Providers the certainty they need to invest in new social and affordable housing. The consultation closed on 23 December; we are carefully considering the feedback we received and will respond in due course.
- 53. In December, the Government launched a new Homes England clearing service to help unblock the delivery of Section 106 affordable housing. This new service aims to help improve the functioning of the market for affordable housing, by supporting buyers and sellers to find each other more effectively. The Government is calling on all developers with uncontracted Section 106 affordable homes to engage proactively with the new clearing service. The Government is also committed to strengthening the existing system of developer contributions to ensure new developments provide necessary affordable homes and infrastructure. Further details will be set out in due course.

54. With regards to environmental requirements, the Government intends to publish the Future Homes Standard later this year. This standard will require new homes to be built with high levels of energy efficiency and low carbon heating. Homes built to the Future Homes Standard will be 'zero carbon ready' meaning they will become zero carbon over time as the electricity grid decarbonises, without the need for any retrofitting or further investment.

Recommendation 17: The Government must ensure that social and genuinely affordable housing forms a substantial proportion of its 1.5 million target, given the importance of these tenures to ending homelessness in England. In the forthcoming long-term housing strategy, the Government must set out how the national housing target will be achieved by tenure, including a target for Social Rent homes to promote genuinely affordable housing as part of the housing mix. The Government must also recognise the urgent need for immediate interventions, as outlined in this Report, to improve temporary accommodation provision and to support families into more settled homes. (page 42)

- 55. The government has not set an affordable housing target to date, but we are committed to delivering the biggest increase in social and affordable housebuilding in a generation.
- **56.** The long-term housing strategy will be published later this year and will include the actions that we will take to reach this vision, building on announcements we have already made, and provide long-term certainty.
- 57. When this Government took office, the 2021–26 Affordable Homes Programme had committed nearly its entire budget. Since then, we have announced £800 million in additional programme funding to deliver up to 7,800 new social and affordable homes. We have been pleased to see strong take up for this funding from councils and housing associations, and we know that this funding is now close to being fully committed.
- 58. On 25 March we further injected £2 billion from 2026/27, to build up to 18,000 new homes by the end of this Parliament. This funding is a downpayment on future long-term investment to enable new schemes to get going and will act as a bridge to a new programme.
- **59.** We will announce additional funding for next year (2026/27) and beyond at the Spending Review later this year. This new investment will deliver a mix of homes for sub-market rent and homeownership, with a particular focus on delivering homes for Social Rent.

60. In addition, the provision of affordable homes will be supported by our 'Golden Rules' for Green Belt development. Prior to development plan policies for affordable housing being updated in accordance with the revised National Planning Policy Framework, the affordable housing contribution required to satisfy the 'Golden Rules' is 15 percentage points above the highest existing affordable housing requirement that would otherwise apply to the development, subject to a cap of 50%. We estimate that under this model, the median Green Belt local planning authority affordable housing requirement will be 50%.