

SPEECH TO INTRODUCE THE DEBATE ON THE FULL COUNCIL THEME: “NEWHAM’S TEMPORARY ACCOMMODATION CRISIS”

A home isn’t just a roof over your head. It’s also a foundation on which your and your family’s health, wellbeing and happiness depend. To quote from Hopkins Bloomberg Public Health magazine¹:

“Home is everything. It’s where we shelter from the world, take our first steps, and learn about life. Home shapes who we are, and then we shape it to reflect who we have become. Home runs deep in our identity as human beings. It is the refuge where we sleep and dream.”

Adequate housing is part of the right to an adequate standard of living in article 25 of the 1948 Universal Declaration of Human Rights.

But the deep-rooted and long-standing challenges of the housing market are worsening. For too many of Newham’s residents, this basic human right is no longer within reach. In our 2023 Residents Survey, only 1 in 5 said their housing costs were fairly or easily affordable. Now, 1 in 20 households in our borough are in temporary accommodation². That’s 6,662 households³. And it’s nearly double the proportion of any other London Borough – triple the London average – and over 10 times the national average.

In Newham, the TA crisis is significantly worse than anywhere else in the country. Our levels of poverty and overcrowding are higher. And there is greater dependence on the private rented sector, which has seen supply shrink radically and rents rocket, leading to the highest number of evictions in London. This is putting an unsustainable strain on the council’s finances – which I’ll come back to in a minute.

But first, I want to be clear that what makes me most angry – and what motivates me most to ensure we do all we can in the face of this challenge – that is the human impact of the TA crisis on our residents of all ages and on their ability to thrive and succeed both now and in the future. I know from personal experience because I was 16 years old when me and my family became homeless.

Numbers in TA have grown 145% since 2013. And the costs of TA have risen sharply – from a mean nightly rate in April 2021 of £42.16 to a peak of £158.23 in November 2023. This has created a perfect storm.

For the last two financial years, we would have delivered within budget had it not been for growing TA pressures. Despite putting an additional £30 million into our TA budgets over the last two years, we are forecasting a £31 million overspend on TA alone this year. And TA pressures are driving £100 million of our £175 million forecast budget gap over the next three years.

¹ [Housing and Health: What Science Has Learned about the Importance of Home | Hopkins Bloomberg Public Health Magazine \(jhu.edu\)](#), Stephanie Shapiro.

² Trust for London, data for Q1 2024. [London households in temporary accommodation | Trust for London](#) Numbers in TA per 1,000 households.

³ Council data. At 31st July 2024.

The council has not sat back in the face of this storm. Our response is in three main strands:

Firstly, we have ramped up our work to prevent and relieve homelessness, helping people to stay in or find new long-term accommodation. This has avoided further financial pressures of over £11 million so far this year. And we are continuing to develop further ways of preventing housing instability and homelessness.

Secondly, we have been maximising housing supply to find suitable long-term solutions for those who do become homeless:

- Making the best use of our existing stock by bringing empty homes back into use and reducing the time homes are empty between tenancies, and working with registered social landlords to maximise their supply; and
- Using more of our new build and our acquisitions programme, both in the borough and further afield.

Now I know some argue we shouldn't be housing Newham residents outside of the borough. And let's be clear our placement policy prioritises in-borough and closer-to-borough options. But we have to face realities: there isn't enough accommodation in Newham or nearby to meet the needs. I won't support a rigid location policy that drives down the quality and security of accommodation we can offer. Our out of borough options have enabled us to move people out of unsatisfactory hotel TA, to much more suitable accommodation. And, it has helped us manage our costs.

Back in May, PWC estimated that our supply maximisation work had delivered £12.9 million of cost mitigations.

The third part of our response has been to focus on reducing the costs of TA through negotiating better rates and improving services and support for those who do find themselves in it.

I and the whole Cabinet are committed to maintaining the highest expectations of a whole council response to this crisis. We are demanding that our plans continue to evolve to adopt best practice and innovate, and that delivery is managed tightly.

But this is not a problem that is in our gift to solve. The housing market crisis, combined with the cost of living crisis and long-standing under-funding of local government, mean that while we will continue to do our best within our means, we are also calling on Government to play its part.

After 14 years of a government that failed to address the dysfunctional housing market, it is encouraging to now have a new government that recognises that housing is key to *Breaking Down Barriers To Opportunity*. Its commitments to increase house building, including social and affordable homes, and to overhaul regulation of the private rented sector, are welcome.

We will work with and seek to influence the development and roll-out of these policies so they can help to address the challenges in Newham. But while these systemic issues are addressed, we are faced with a financial challenge that is impacting across all the council's activities. At Cabinet a fortnight ago we started to address the implications of a £175 million budget gap over the next 3 years, £100 million of which is caused by TA.

WE ARE NEWHAM.

As well as demanding that efficiencies are driven through in all services, we are having to face some difficult choices. We will work these options through, engaging with residents and Members over the coming months, as we prepare our draft 2025/26 Budget. But we know that we can't bridge the immediate gap alone, so are in discussion with government about Exceptional Financial Support, so we can set a balanced budget as required.

Newham's Temporary Accommodation situation is indeed a Crisis – both for our residents and for the council. But it isn't just a TA Crisis, it is impacting on the whole council because it is undermining the sustainability of our financial position. So we will continue to lobby and work with government to address the underlying causes and ensure there is credible funding to meet the needs of our residents – and to continue to work towards Homes for ALL Our Residents and to Build a Fairer Newham.

Council, I commend the recommendations set out in section 2 of the published paper.