

Appendix A

Delivery Plan

Reducing Spelthorne's spend on nightly-paid accommodation

Last year the Council spent nearly £3 million on nightly-paid accommodation. This is unsustainable and significant savings are required in FY 2026/27.

This note should be viewed alongside the [Nightly-paid accommodation Action Plan.xlsx](#), and asks three questions to help us deliver a reduction in the Council's spend on nightly-paid accommodation:

1. What are we trying to deliver?
2. How are we going to deliver it?
3. Do we know whether delivery is on track?

1. What are we trying to deliver?

a) A saving of between £555,000 and £679,000 in FY 2026/27.

- In FY 2025/26, the Council spent **£2.99 million** on nightly-paid accommodation. **£1.22 million** of this was recovered through rents, meaning the net cost to the Council was **£1.77 million**.
- In FY 2025/26, there were an average of 100 households in emergency accommodation at any one time. The average stay per placement was 215 days (note this does include where households had multiple emergency placements) at an average nightly rate of £84.50.
- So, to reduce the costs to the Council, we need to reduce the number of households in nightly-paid accommodation (Target 1), the nightly rates we pay for the accommodation (Target 2), and the length of time households remains in nightly-paid accommodation (Target 3).

b) An excellent homeless service that supports people who really need help.

We will continue to ensure we are meeting all our legal duties to provide emergency accommodation.

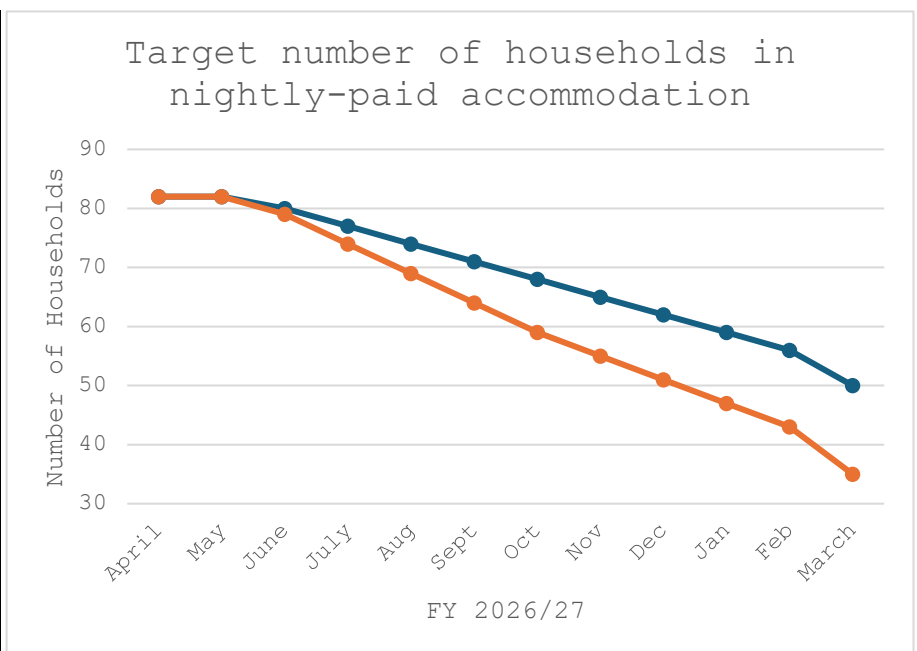
- **Section 188** of the Housing Act 1996 requires Councils to provide emergency accommodation immediately if a person is homeless, eligible and *may be* in priority need. This is a low threshold.
- The **Relief Duty**, under the Homelessness Reduction Act 2017, means that if a household is already homeless, councils owe a 56-day duty to relieve homelessness, including securing emergency accommodation for households in priority need.
- **Main Duties** are accepted if, after all enquiries are made, a household is:
 - Homeless
 - Eligible
 - In priority need
 - Not intentionally homeless
 - With a local connection (or accepted after a referral)

The Council must secure longer-term accommodation, such as social housing or private rented accommodation for at least two years, but emergency accommodation may continue while this is arranged.

Headline targets

Target 1: reduce the total number of households in nightly-paid accommodation to fewer than 50 by April 2027 (note the target for budgetary purposes is 50 to allow for contingency in the 2026/27 budget).

Month	Target for budget	Internal delivery target
April	82	82
May	82	82
June	80	79
July	77	74
Aug	74	69
Sept	71	64
Oct	68	59
Nov	65	55
Dec	62	51
Jan	59	47
Feb	56	43
March	50	35



If we achieve a reduction to 50 households in nightly-paid accommodation by end of March 2027, the expected net savings would be **£555k in FY26/27**.

If we achieve a reduction to 35 households in nightly-paid accommodation by end of March 2027, the expected net savings would be **£684k in FY26/27**.

For these savings to be met, the reductions will need to be equal across different groups of households. For example, if we just focus on moving on single people, we won't save as much as if we also manage to move on larger households. The targets should therefore be split as follows:

Single people (studio or 1 bedroom need)	45%
Small households (2 bedroom need)	27%
Larger households (3+ bedroom need)	28%

These percentages translate as follows:

When overall target is...	Single people (studio or 1 bedroom need)	Small households (2 bedroom need)	Larger households (3+ bedroom need)
70	32	19	19
60	27	16	17
50	22	14	14
35	15	10	10

See Annex A for all cost saving calculations.

Target 2: reduce the average nightly cost of accommodation by 5%.

Our current average nightly rates are:

Property Type	Avg Nightly Charge	Mix %
Studio	£63.50	4%
1 Bed	£64.82	41%
2 Bed	£95.19	27%
3 Beds	£101.60	22%
4 Beds	£110.00	5%
5 Beds	£130.00	1%

PeopleToo are supporting our rate negotiations with an initial view of saving 5%, but we will have a better understanding of what is achievable once the work has commenced.

If Target 1 is achieved (reducing the number of households in nightly-paid accommodation to **50** by April 2027), we could expect to save the following with these different rate reductions:

Rate reduction %	Saving Forecast £'000
1%	567
5%	617
10%	679

Target 3: the average length of time households spend in nightly-paid accommodation to reduce from 215 days in 2025/2026 to 120 days by March 2027.

Of the 178 households who left nightly-paid accommodation in FY25/26, the mean length of time spent in nightly-paid accommodation was 215 days. This includes households funded by the Rough Sleeper Initiative, and under the Home Office's Afghan and Asylum schemes.

Significantly reducing the length of time households stay in nightly-paid accommodation will rely on an increase in move-on properties available, and continued excellent casework.

To ensure focus is not only on moving on single-person households, we meet with the Housing Commissioner fortnightly to review move on plans for the ten households who have been in nightly-paid accommodation the longest. These are currently:

UAI	No. of weeks accommodated	Situation	Action as of 1 May
SPEL/NAT09021982	157	Eviction with legal	Still with legal. Arrears.
SPEL/50076	152	Direct let requested - no property available yet. (4 bed, accessible property needed)	No change since April
SPEL/999524443	142	Under offer	Offered accommodation with A2D.
SPEL/52054	130	Arrears have prevented them from receiving offers	Support in place to review household circumstance and get benefits back into payment.
SPEL/52188	128	End of duty due to refusal of a TA offer.	Review to be overturned due to new diagnosis

SPEL/52442	124	1 bed need - young person needing fully wheelchair adapted home	Direct let identified - 1 bedroom bungalow fully, verification starting.
SPEL/999524549	121	3/4 bed need, top 20 for bids, struggling with debt, poor credit history.	Has been offered social housing but wants to refuse on grounds of suitability. Currently under review, may accept property and move in.
SPEL/52776	113	3-bed need, children's services involvement, benefit cap.	Was going to be offered an A2D TA property but the property went to a more costly decant. Nothing else in pipeline.
SPEL/53764	93	10 children, one passed away from illness March 2026, child arrangements are uncertain.	Waiting for children's services as household uncertain. Visiting family within 2 weeks.
SPEL/52610	83	Direct let requested - no property available yet	Still waiting for a suitable direct let to be offered.

If this target is met this financial year, the target should be lowered in 2027/28, possibly to 90.

Supporting targets

There are also supporting targets which correspond to some of the actions in the action plan. These are:

Supporting targets	Status
95% of all B&B households visited each month.	Completed for 3 months. Resource now focusing on TA.
The 10 households who have been in nightly-paid accommodation the longest (as of 1 May 2026) to have all received an offer by 19 June.	6 out of the 10 longest staying households as of January remain in nightly-paid accommodation. Target deadline extended to 19 June, with 10 new target households (the longest stayers as of May 2026.)
<15% of prevention cases should progress to relief duty. (Preventing households being put into nightly-paid).	Accepted prevention cases progressing to relief duty: Relief duty cases progressing to main duty: Jan –

Of those in relief duty, <50% should progress to main duty. (where we accept the need to find longer-term, permanent accommodation).	Jan – 14% Feb – 7% March – 14% April – 9%	Feb – March – April –
Average number of days void for A2Dominion Temporary Accommodation (note includes time for repairs and lettable void time) - <10%	This is calculated based on number of days per month a temporary accommodation property is unoccupied for. A2D’s figure is currently 12-14% (out of 49 units). Note this is difficult for us to influence, but including for monitoring purposes. KGE’s figure is currently 0-6% (out of 63 units)	
Average number of days void for KGE Temporary Accommodation (note includes time for repairs and lettable void time) - <5%		
TBC - X% of settled accommodation placements outside the borough. (Target to be agreed at later date once more evidence available).	Work underway to review opportunities with Cedar Housing and Bridge Housing.	

2. How are we going to deliver it?

We have an action plan to address the issue which can be found on the ‘Action plan’ tab of the [Nightly-paid accommodation Action Plan.xlsx](#). Some of the actions include:

- a) **Tighter sign-off process for nightly-paid placements.** Before a placement is made, the Group Head, with the Housing Options Manager, will have to be satisfied that the placing officer has made enough enquiries to genuinely believe that a household is homeless, eligible and may be in priority need.
- b) Prioritising households in Temporary Accommodation (TA) for **direct social housing lets**, enabling us to reuse vacated TA units for families currently in nightly-paid accommodation.
- c) **Visits** to all households in TA to confirm homelessness application details are correct and to promote private rented sector move on opportunities.
- d) **Strengthening our engagement with the private rented sector**, including by reviewing our incentives scheme and exploring suitable out of borough options where appropriate.
- e) **Working closely with A2Dominion** to reduce the length of void periods in their properties and bring homes back into use more quickly, and renegotiating the A2D’s TA offer.

- f) Assessing the need for a **procurement framework** for nightly-paid accommodation to ensure we consistently secure best value for money.
- g) **Collaborating with developers and Registered Providers** to increase the supply of affordable housing in Spelthorne.
- h) **Purchasing street properties for TA or social housing** with commuted sums and Local Authority Housing Fund (LAHF) funding.

The Action plan names the owner of each of the actions, sets timeframes and outlines the key delivery risks.

3. How will we know whether delivery is on track?

a) Data

Currently, at the beginning of each month, the Data and System Management team leader and finance business partner extract data from Locata and the ledger for the tracker in the [Nightly-paid accommodation Action Plan.xlsx](#). Data is also extracted fortnightly for use at operational level to identify issues in progress.

The data we track includes:

- Number of households in nightly-paid accommodation broken down by Relief Duty (including s188 interim duty), Main Duty and Rough Sleeper Initiative.
- Homeless cases prevented, (ie. not progressing to relief duty and therefore avoiding the need for households to be placed in interim, nightly-paid accommodation)
- Relief duty cases which progress to main duty (ie. where we accept the need to find longer-term, permanent accommodation).
- The costs of nightly-paid accommodation, shown as a three-month rolling average to mitigate outlier data from late invoicing.

However, we need more visible, accessible data. We are currently trying to resource some work to create a dashboard that can clearly show data accurate to the day.

It will be important that any corporate KPIs align with the data we're already collecting and using. MHCLG specifies which data must be provided for HCLic, and we cannot deviate from this format.

b) Delivery routine:

- The team of delivery officers meet fortnightly to identify next steps for each of the actions and track progress.
- We provide updates on this work at the monthly Strategic Housing Group meetings.
- As part of the IRP, this work is also monitored through IRB processes. Each month, we feed into the IRP dashboard, sharing progress from the previous period, planned activities and key risks and issues.

	Progress in previous month	Priorities for this month
April	<ul style="list-style-type: none"> • Consolidated action plan. • Briefed Cllrs and got senior support / buy in for way of working. • Recruited strategic housing officer 	<ul style="list-style-type: none"> • Obtain data needed • Agree targets in this document • Consultant support to start
May	<ul style="list-style-type: none"> • Consultant support started – Campbell Tickell, PeopleToo and Red Loft 	<ul style="list-style-type: none"> • Agree targets in this document • Secure additional data resource • Begin purchase of properties with LAHF and Commuted sum

Appendix A – Cost-saving calculations

The tables below show the potential savings generate by reducing cohort numbers and rates.

- Rent Recoverable is calculated as 41% of gross costs, for all scenarios.
- Cohort reduction profile is the same for all scenarios , 82-50-35. These represent end of year cohort as the reduction during the year is gradual.
- Rate reduction is shown at 1% and 10% to help in creating a multiples trend idea.
- Rate change extra saving is calculated as difference against the scenario with no rent change (A.)

Scenario A): Savings - Reduction in Households No Change in Rate			
	82 Households	50 Households	35 Households
Costs-Zero based	£'000	£'000	£'000
Studio	70	58	52
1 Bed	804	676	606
2 Bed	764	642	575
3 Beds	667	561	502
4 Beds	161	135	121

5 Beds	47	40	36
	2,514	2,112	1,892
Budget			
FY26 B&B Budget	3,044	3,044	3,044
Gross Savings	(530)	(933)	(1,152)
Rent Recoverable Budget	1,244	1,244	1,244
Potential Rent Recoverable	1,031	866	776
Reduced Income	213	378	468
Net savings	(317)	(555)	(684)

Scenario B): Savings - Reduction in Households 10% Reduction in Rate

	82 Households	50 Households	35 Households
	£'000	£'000	£'000
Costs-Zero based			
Studio	63	53	47
1 Bed	724	608	545
2 Bed	688	578	518
3 Beds	601	505	452
4 Beds	145	121	109
5 Beds	43	36	32
	2,263	1,900	1,703
Budget			
2026-27 B&B Budget	3,044	3,044	3,044
Gross Savings	(782)	(1,144)	(1,341)
Income			
Rent Recoverable Budget	1,244	1,244	1,244
Potential Rent Recoverable	928	779	698
Reduced Income	316	465	546
Net savings	(466)	(679)	(796)
Extra saving	(148)	(125)	(112)

Scenario C): Savings - Reduction in Households 1% Reduction in Rate

	82 Households	50 Households	35 Households
	£'000	£'000	£'000
Costs-Zero based			
Studio	69	58	52
1 Bed	796	669	599
2 Bed	757	636	570

3 Beds	661	555	497
4 Beds	159	134	120
5 Beds	47	39	35
	2,489	2,090	1,874
<u>Budget</u>			
2026-27 B&B Budget	3,044	3,044	3,044
Gross Savings	(556)	(954)	(1,171)
<u>Income</u>			
Rent Recoverable Budget	1,244	1,244	1,244
Potential Rent Recoverable	1,020	857	768
Reduced Income	224	387	476
Net savings	(332)	(567)	(695)
Extra saving	(15)	(12)	(11)

Appendix B – IRB plan on a page

WORKSTREAM 3: IMPROVING OUR PLAN TO DELIVER THE HOUSING NUMBERS SET OUT IN THE LOCAL PLAN

Key Outputs

