



London Borough of Enfield

Report Title	Temporary Accommodation
Report to	Housing Scrutiny committee
Date of Meeting	26 September 2023
Cabinet Member	Cllr Savva, Cabinet Member for Social Housing
Executive Director / Director	Joanne Drew, Strategic Director for Housing and Regeneration
Report Author	Richard Sorensen (richard.sorensen@enfield.gov.uk)
Ward(s) affected	
Classification	Part 1 Public
Reason for exemption	N/A

Purpose of Report

1. To update the Housing Scrutiny Panel on the Council's role in homelessness and the provision of temporary accommodation including progress since implementing the new Placement Policy in June 2023.
2. To seek views of the Panel on any further changes required to our approach which may form, if required, a further report to Cabinet.

Main Considerations for the Panel

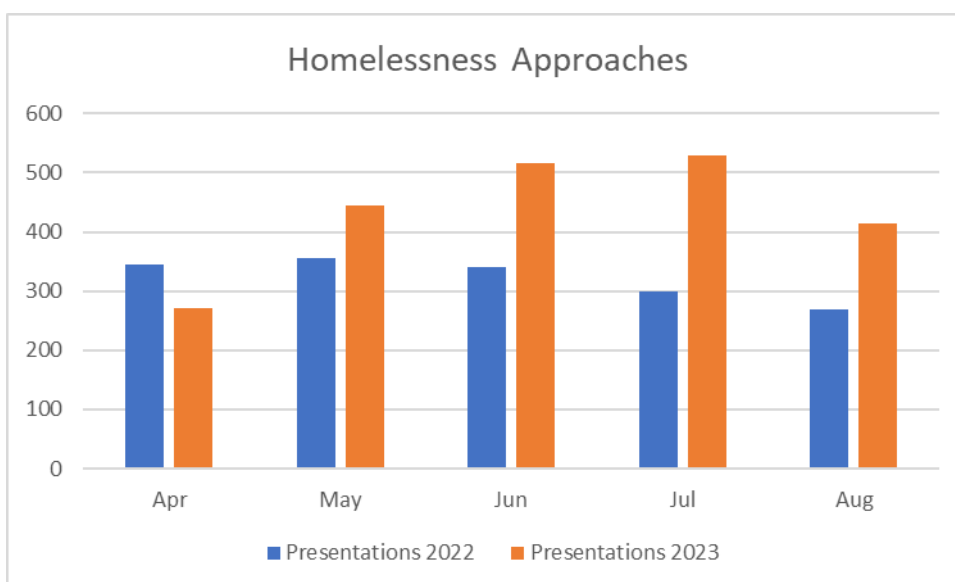
3. The housing crisis continues to escalate. Details of the impact of this on residents and the Council can be found in the June 2023 Cabinet report. This sought approval for a new Placement Policy for homeless households in response to the extreme shortage of affordable accommodation across London and southeast England.
4. The shortage of affordable accommodation has led to an increase in the number of households needing assistance and the service being dependent on the use of hotel accommodation. This in turn means that the cost of temporary accommodation has escalated to unsustainable levels. The

service is currently projecting an overspend of approximately £18m for 2023-24 in addition to the net deficit in the base budget of £6m.

5. This paper is a review of progress in addressing these pressures and the implementation of the new Placement Policy, covering each of the key workstreams.

Managing demand

6. The number of households approaching the Council for assistance remains high in comparison with previous years.



7. The increased demand has meant that more households have been accommodated. Because of the dependency on hotel accommodation, each household entering temporary accommodation represents a potential cost to the Council of £54,000 without action.



8. The service has taken a number of steps to reduce the numbers of households entering temporary accommodation, which because of the short supply, is hotel accommodation which is unsuitable for families. This includes:

- Reviewing the strength of our homelessness prevention offer
- Moving to a statutory service model
- Management sign-off on all new placements
- Daily review meetings for all new placements
- Changes to the out of hours process

Placements to areas where LHA and rents are more closely aligned

The revised approach has seen successful placements in PRS discharging our duty to 150 households as at August. This has included to 12 households relocating outside the southeast. Locations include such as Basingstoke, Leeds and Manchester. The service needs to increase the rate of such placements given the severe shortage of accommodation in North London and we are working towards moving residents who are at risk of homelessness straight to PRS avoiding the use of temporary accommodation wherever we can.

A budget of £250k has been allocated to support residents with the costs of relocation in addition to the costs of incentives, deposits and rent in advance.

Strengthening Our Casework

9. The service is currently working to our Business Continuity Plan, recognising the severity of the current crisis. Staff have been aligned with new project teams based on the skill sets of the staff concerned.
10. A new management team has been recruited to strengthen the approach.
11. Key areas of focus include:
 - Strengthening decision making
 - Cessation of Duty
 - Quality of casework
 - Customer service with the provision of a caseworker contactable by phone and by appointment on a face-to-face basis
 - Housing supply

The level of demand at present and the operational changes involved in implementing the new model means that we focus on the highest need residents in their homelessness journey. It is a priority for the service to manage demand so that focus can also be deployed on early-stage prevention activity and offering face to face assessments where needed for more vulnerable households.

Increasing Supply

12. We need to increase the supply of affordable accommodation to over 100 homes per month to both meet current demand and reduce the overall numbers in temporary accommodation. Proposals for an Accommodation Strategy have been submitted to Cabinet in September.

13. In addition, we have onboarded new partners to deliver out of London private rented placements including:

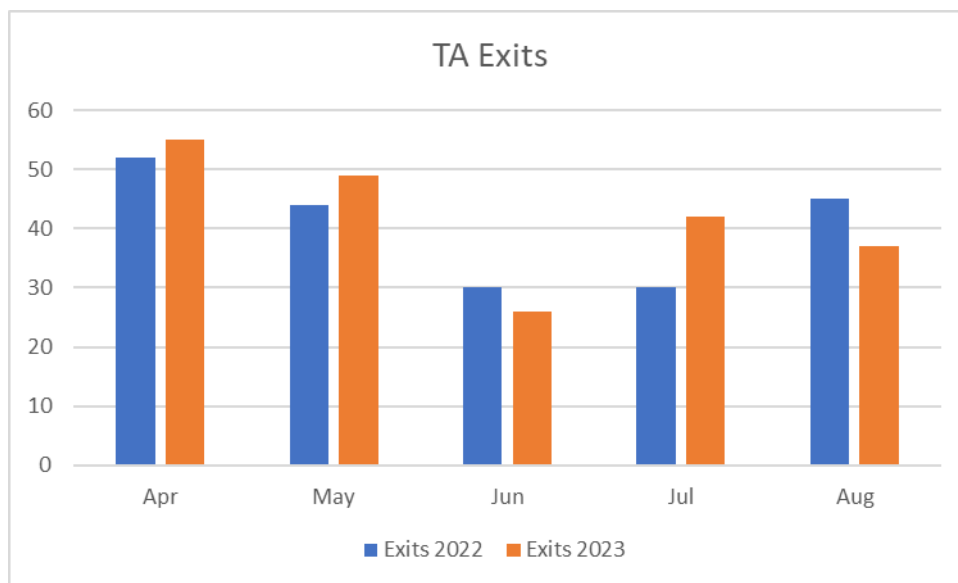
- Reloc8
- Cedar
- Oakwood
- Help to Rent

14. We are leasing blocks through Housing Gateway to deliver a large number of properties quickly to eliminate the use of hotels. These include:

- Luton (103 units in November)
- Milton Keynes (27 units in October)
- Enfield (27 units in September)

15. We are currently in the process of recruiting and onboarding additional procurement staff to further increase our supply of accommodation.

16. These approaches have enabled us to stabilise the number of households in hotel accommodation. The additional pipeline supply is intended to ensure a dramatic reduction in the number of households in hotel accommodation over the next three months.



17. We have secured 150 homes for homeless households in the first five months of this financial year. The challenge is to increase this to 100 homes per month.

Containing Costs

18. There is upward pressure on the cost of traditional temporary accommodation. The decision by London Housing Directors to increase the agreed pan London rates for temporary accommodation by 10% was necessary to retain our existing stock. However, this also added an additional budget pressure.

19. To ensure that we are better able to contain costs going forwards, we have reviewed our rates for temporary accommodation for different types of arrangement. The rate for nightly paid accommodation has been increased by 5%, whilst the rate for PLA properties (on agreements of over two years) have received the full increase. This approach is intended to control costs as we expect the upward pressure on rates for temporary accommodation to continue. By entering into a longer-term agreement, the rate is set for the term of the lease.
20. The regulations for Housing Benefit also represent a major cost to the service. Temporary accommodation rents are set at Local Housing Allowance to ensure their affordability to residents. The Council administers Housing Benefit and reclaims the cost of this from central government. However, for households in temporary accommodation, the Council can only reclaim 90% of the 2011 rate of Local Housing Allowance. We anticipate this gap being approximately £10m for 2023-24.
21. To mitigate this, we are proposing to transfer our temporary accommodation portfolio to Housing Gateway. The effect of this is that residents' housing costs will be met through Universal Credit rather than Housing Benefit. Whilst there are additional management costs involved, we anticipate that this will generate approximately £5m of savings per annum.

Relevance to Council Plans and Strategies

Good homes in well-connected neighbourhoods

22. In seeking to drive up the quality and availability of properties in the private rented sector, the proposal will increase the number and quality of homes available to low-income households in the borough.

Sustain strong and healthy communities

23. Poor quality housing and homelessness have been identified as key factors in health inequality. Through reducing the number of households reaching crisis point and increasing the supply and quality of rented homes we will help to reduce the impact of homelessness and poor housing on the health and wellbeing of our residents.

Build our local economy to create a thriving place

24. We aim to ensure a thriving, high quality private rented sector that is accessible to low-income households. By acting proactively to engage with and support landlords we aim to increase the supply of rented homes.

Report Author: Richard Sorensen
Head of the Housing Advisory Service
richard.sorensen@enfield.gov.uk
0208 132 0663

Appendices

N/A

Background Papers

Cabinet Report: Homelessness in Enfield (5) – Housing residents where accommodation is affordable.