



London Borough of Enfield

Report Title	Housing residents where accommodation is affordable
Report to	Housing and Regeneration Scrutiny committee
Date of Meeting	10 December 2024
Cabinet Member	Cllr Guzel (Cabinet Member for Housing)
Executive Director / Director	Joanne Drew
Report Author	Richard Sorensen
Ward(s) affected	
Classification	Part 1 Public

Purpose of Report

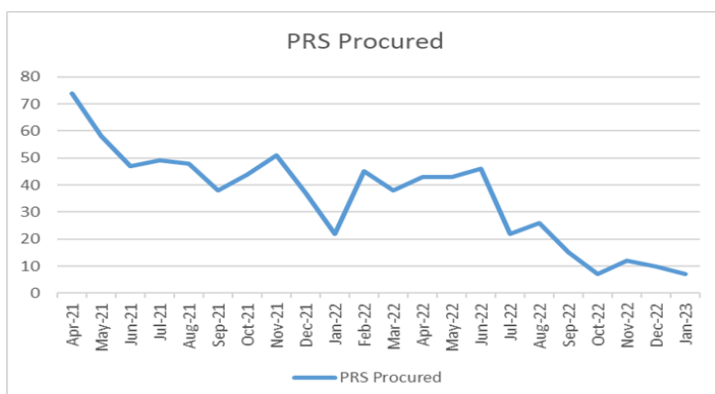
1. To provide an update on the implementation of the National Placement Policy

Main Considerations for the Panel

2. To note the impact of the policy in securing long-term accommodation for homeless households.

Background

3. Until June 2023, The Council's policy in relation to homeless households was that out of borough placements should be a last resort. The Council would not forcibly discharge its duty towards a household outside of Enfield and the surrounding area.
4. The Council was (and is) experiencing unprecedented demand from residents losing their homes. The private rented sector was contracting, rents were rising and there was a severe shortage of affordable privately rented homes across the whole of the southeast of England. This was reflected in our ability to secure private rented accommodation (PRS).



5. This shortage of affordable accommodation in the Private Rented Sector meant that few households had the financial capacity and opportunity to move out of temporary accommodation. The gap between rents and benefits had grown to the extent that the private rented sector in Enfield (and more widely across London) was out of reach for any household dependent on benefits:

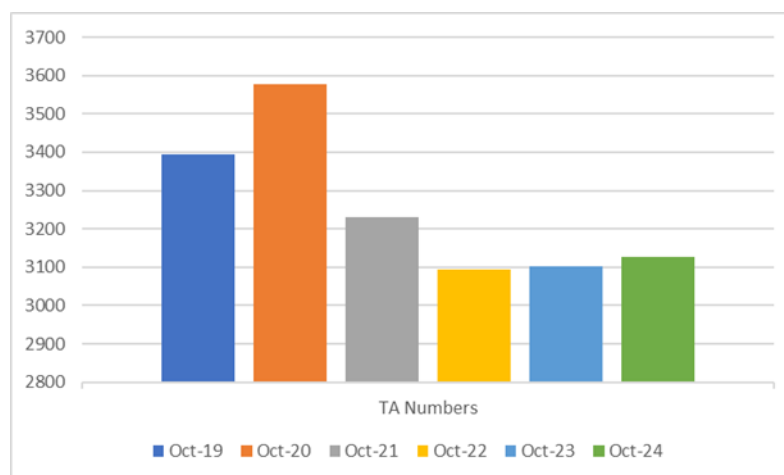
Enfield	1 bed	2 bed	3 bed	4 bed	5 bed
LHA 2020	£1,067	£1,296	£1,596	£1,895	£1,895
Average Rent 2021	£1,000	£1,400	£1,780	£2,090	£2,780
Average Rent 2022	£1,070	£1,510	£2,000	£2,490	£3,060
Annual change	6.80%	7.60%	12.00%	18.90%	10.10%

6. The supply of temporary accommodation also fell, with landlords exiting the temporary accommodation market to gain higher returns through privately renting their properties at rent levels beyond the means of households claiming benefits.
7. At the same time the number of households being made homeless was rising sharply. In July 2021, 299 households presented as homeless. In June 2022, this rose to 514.



8. By June 2023, the number of households being accommodated in hotels rose to 283 and 150 households had been in hotels for more than six weeks. The financial effect of this was that the Council was paying in excess of £800,000 per month for hotel placements. This pattern has been replicated across London.

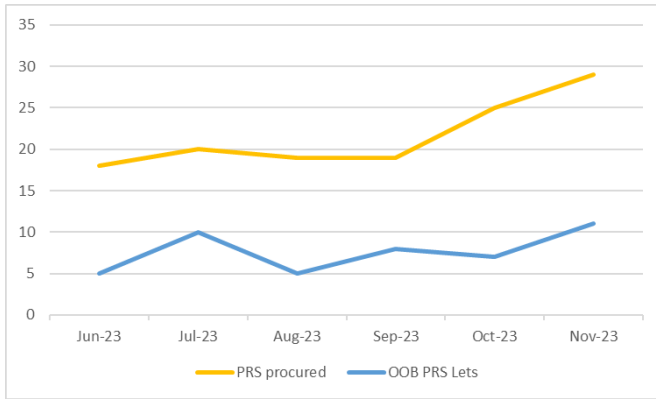
9. Hotel accommodation is unsuitable for anything other than an emergency response. Managing nearly 300 households in unsuitable accommodation put unprecedented pressure on the service.
10. This also placed the Council at risk of legal action and ombudsman complaints. The Local Government and Social Care Ombudsman (LGSCO) has recently concluded an investigation into the Council's handling of a household in unsuitable accommodation which highlights this issue. The Council had already accepted that the household was in unsuitable accommodation in December 2022. The fault found by the LGSCO was the length of time taken to move the household into more suitable accommodation despite repeated requests for a move. The case took some 18 months to resolve. The Ombudsman has asked the Council to pay £4,100 in compensation, as well as provide updates to the relevant Cabinet Member and scrutiny committee around the delivery of the supply of accommodation and outcomes of this LGSCO decision.
11. Throughout this period, through the actions taken by the service, the number of households in temporary accommodation remained relatively static. This is in contrast with both the national and regional trends as detailed later in this report.



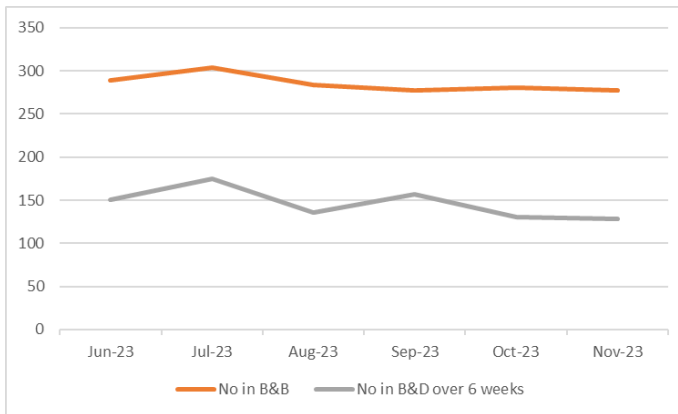
12. In response to this ongoing crisis the Council moved to a new approach. The key elements of this are outlined below.

Placement Policy

13. In June 2023, the Council adopted a new approach to securing accommodation for homeless households. The aim was to ensure that we could secure private rented properties in those parts of the country where Local Housing Allowance would cover the rent so that residents had prospects of maintaining settled accommodation and not be pushed into financial hardship to pay their rent.
14. A new Placement Policy was approved by Cabinet in June 2023. This enabled the Council to offer private rented accommodation on a national basis for the first time. A key element of the policy was that residents should be made two offers of accommodation before the Council discharged its duty.
15. The new policy enabled the Council to increase the supply of properties available. Procuring in new areas had a relatively long lead in time as officers needed to establish relationships with new providers.



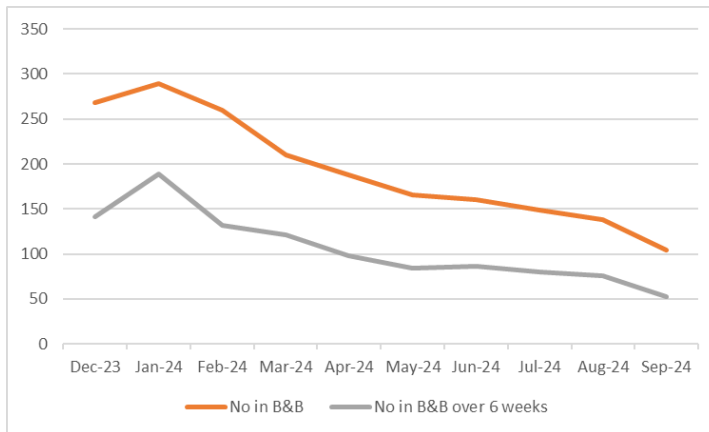
16. However, the impact of the new policy was limited by the need to make two offers. It rapidly became clear that residents would always reject a first out of area offer in the hope of being made a second offer closer to Enfield. This meant in turn that the number of households in hotel accommodation stabilised but did not fall substantially. Equally the number of households in hotel accommodation for more than six weeks remained high:



17. In November 2023, the Placement Policy was amended to enable a single offer of private rented accommodation to be made. At the same time a new procurement drive began to secure more properties out of the borough:



18. These two factors combined had a more dramatic impact as residents were not given the option of an alternative offer. As a result, there has been a sustained fall in the use of hotel accommodation.



Location

19. The decision of whether to procure a property is based on a number of different factors. The affordability of a property is only one element of the process. We need to ensure that residents moving to the area will be able to establish a life for themselves. We therefore consider:

- Access to schools (and school places)
- Transport links
- Employment opportunities
- Healthcare
- The diversity of the local community

20. This means that in practice most properties are within urban or semi urban areas. Since the introduction of the National Placement Policy 117 households have accepted offers of accommodation in the following areas:

Borough	Lets	Borough	Lets	Borough	Lets
Telford	27	Blackburn	1	Luton	1
Hartlepool	21	Burnley	1	Manchester	1
Durham	13	Crewe	1	Middlesbrough	1
Dudley	9	Ferryhill	1	Newcastle	1
Blackpool	6	Harborough	1	Nottingham	1
Stoke, Kent	4	Hertsmere	1	Oldham	1
Nuneaton	3	Huddersfield	1	Sheffield	1
Stoke on Trent	3	Hull	1	South Staffs	1
Basingstoke	2	Kirklees	1	Tameside	1
Derby	2	Leicester	1	Warwickshire	1
Grimsby	2	Liverpool	1	Wyre Forest	1
Redcar	2	Lowestoft	1		

21. In line with requirements, we advise councils of a new resident settling into the area by issuing a s208 notice. This gives visibility to the receiving council of the needs of residents settling into their community.

22. In all our communications with residents we are clear about the shortage of London based accommodation and highlight that when homes are secured, we will need to make an offer and secure a placement quickly. This means that residents need to be ready to move quickly.

23. Before making an offer of accommodation, we carry out a comprehensive suitability assessment. This incorporates the range of needs of the household,

affordability, health and mobility and their suitability for relocation. Around 85% of households have been found to be able to relocate.

Processes and coordination

24. The reduction in hotel use has increased our ability to focus on households other than those in hotels. With the need to move households in hotels now lessening, this is enabling us to look at the wider population in temporary accommodation.
25. There is an ongoing need to have a regular supply of adapted/adaptable accommodation to ensure that we are able to fulfil our statutory duties both in relation to temporary and long-term accommodation. The National Placement Policy has enabled the Council to increase the supply of suitable homes for residents and we prioritise those cases where there is a more urgent need to move.
26. Whilst there are still challenges relating to acquired specific types of accommodation, such as those suitable for adaptations, we have much better sight of these issues and have created more specific pathways for looking at cases where there are such needs including referral routes into Social Housing or purchased Temporary Accommodation where a need simply cannot be met within the usual Temporary Accommodation stock or the Private Rented Sector.

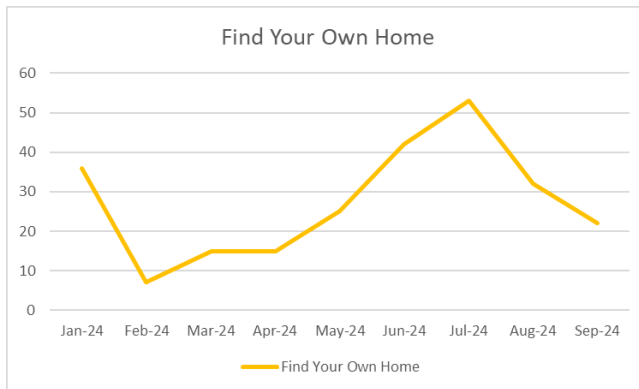
Broader Impact of the National Placement Policy

Ownership of temporary accommodation

27. It is more cost effective for the Council to own accommodation than to lease it, as this means that there is no housing benefit subsidy cap. We are piloting a property acquisition programme in Liverpool for temporary accommodation. This will enable residents to be in the local area where they can seek to find suitable, long-term accommodation. Leasing temporary accommodation is a huge cost pressure for Enfield which is not sustainable indefinitely. It is therefore important that Enfield reduce the amount of TA in use. Lease premiums to agents are significantly above LHA rate (which is the maximum charge which can be levied to tenants of those properties). This means on newly procured accommodation Enfield can expect an average annual net loss of c£13.5k per property when procuring within the borough on standard TA terms. Enfield have spent over £50m on leasing temporary accommodation in each of the past 5 financial years, peaking at £59.5m in 23/24 as costs continue to increase.

Find Your Own Home

28. The introduction of the National Placement Policy has encouraged residents to make greater use of our Find Your Own Home Scheme (FYOH). This scheme enables residents to secure a home themselves with financial assistance being provided by the Council through either deposit and rent in advance or an incentive payment pay directly to the landlord.
29. Take up of the scheme had been very low until the introduction of the single offer policy. Following the introduction of the single offer policy there was a sharp rise in the number of residents securing their own properties.

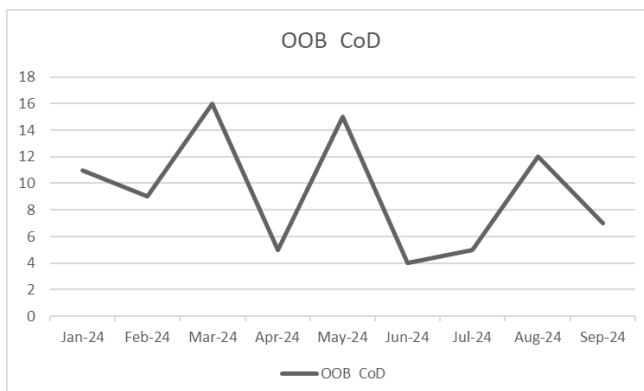


30. Whilst numbers have reduced since the summer (reflecting the increasing gap between rent levels and Local Housing Allowance) the scheme is highly successful in securing homes more locally. The added benefit for residents is that they can choose the property they want to move to.

31. **Cessation of Duty**

32. Underpinning the Placement Policy is the statutory process for making offers of accommodation to homeless households. Where an offer is deemed to be suitable to meet the needs of the household the Council will discharge its duty towards a household if an offer is rejected. This process is known as Cessation of Duty (CoD).

33. The number of households where the Council has ceased duty remains relatively low in comparison with the total number of households we work with. However, ensuring a robust CoD process is essential in ensuring that offers of accommodation are genuinely considered by residents and not rejected out of hand. The number of CoDs issued for rejection of out of borough properties are shown below.



34. Ending the Council's homelessness duty does not necessarily result in the temporary accommodation being ended. Where there are children in the household, the Council may have a duty towards the children. Children and Family Services therefore make a further offer of accommodation to discharge their duty under the Children Act.

35. If this final offer of accommodation is refused, then the final option open to Children and Family Services is to begin care proceedings. To date, no children have been taken into care because of a decision to cease duty.

National and Regional Context

36. The current housing crisis is not confined to Enfield and has been unfolding at a national level. However, London is worst affected with two thirds of temporary accommodation placements arising from London.

37. Data collected by London Councils demonstrates the extent of the problem. Between June 2022 and June 2023 there was a 22% rise in the number of homelessness presentations and a 6.6% rise in the number of households in temporary accommodation. This has resulted in a 375% increase in the number of households in bed and breakfast accommodation.

Homelessness pressures

	June 2022	June 2023		Responses including substitutions
Total number of homelessness presentations	6,295	7,689	+22.1% +1,394	28
Total number of presentations stating the main reason for the loss of a settled home as 'required to leave accommodation provided by HO as asylum support'	80	92	+15% +12	28
Total number of households owed a prevention or relief duty	4,916	5,540	+12.7% +624	28
Total number owed a prevention and relief duty that stated the main reason their loss of settled home as 'required to leave accommodation provided by HO as asylum support'	118	140	+18.6% +22	28
Total number of households in TA	52,571	56,061	+6.6% +3,490	27
Total number of Children in TA	59,618	62,110	+4.2% +2,492	23
Families in Bed and breakfast (B&B) hotels (including shared annexes)	352	1,674	+375.6% +1,322	27
Families in B&B hotels (including shared annexes) for longer than 6 weeks	122	989	+710.7% +867	26

38. This mirrors our experience in Enfield, except for the increase in total number of households in temporary accommodation. Enfield did not see a dramatic rise in the total number of households in TA. This was due to two factors:

- A continuing emphasis on prevention
- Our focus on statutory duty

39. The impact in Enfield was that the shortage of temporary accommodation led to a large rise in the use of hotels rather than an overall increase in temporary accommodation.

40. More recent figures demonstrate the impact of Enfield's change in approach. Between June 2023 and June 2024, the number of households presenting as homeless rose by 1.6% across London. However, the number of households in temporary accommodation rose by 10.2%, and the number of households in bed and breakfast accommodation rose by 9.2%. These figures reflect the shortage of both temporary and private rented accommodation.

Homelessness pressures

	June 2023	June 2024		Responses including substitutions
Total number of homelessness presentations	6,979	7,097	+1.66% +118	27
Total number of presentations stating the main reason for the loss of a settled home as 'required to leave accommodation provided by HO as asylum support'	104	319	+206.7% +215	26
Total number of households owed a prevention or relief duty	3,465	3,322	-4.1% -143	25
Total number owed a prevention and relief duty that stated the main reason for their loss of settled home as 'required to leave accommodation provided by HO as asylum support'	84	242	+188.1% +158	26
Total number of households in TA	55,435	61,110	+10.2% +5,675	27
Total number of Children in TA	66,618	71,339	+7.1% +4,721	24
Families in Bed and breakfast (B&B) hotels (including shared annexes)	1,673	1,826	+9.2% +153	27
Families in B&B hotels (including shared annexes) for longer than 6 weeks	1,089	1,150	+5.6% +61	27

41. By contrast, the number of households in Enfield's temporary accommodation has remained static throughout at c3100 and the number of households in bed and breakfast reduced by 45% over the same period. By September, the reduction in the use of bed and breakfast was at 64%.
42. The response taken by the Council has been out of necessity due to the absolute lack of affordable accommodation that residents can settle in. Whilst we have adopted this policy, we have strongly lobbied for additional funding through the Homelessness Prevention Grant. We recognise the additional costs of accommodation driving up the Council's significant contribution to the homelessness service.
43. This lobbying has been successful in that an additional £233m was awarded to Councils from April 2025 and we await details of our allocation. We have also been progressing with our council homes delivery programme and have this year taken handover of over 200 homes. These are prioritised for residents in housing need entitled to social housing and this includes tenants who have been in temporary accommodation since before 2012 (known as pre-localism) and we have been successful in reducing this number from 470 in January 2021 to 217 in November 2024.

Relevance to Council Plans and Strategies

Good homes in well-connected neighbourhoods.

44. In seeking to provide quality accommodation for homeless families, the service will increase the number and quality of homes available to families who would otherwise be living in hotel accommodation.

Sustain strong and healthy communities.

45. 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.

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Appendices

N/A

Background Papers

KD 5625 – Homelessness in Enfield (5) - Housing residents where accommodation is affordable

KD 5633 – Placement Policy

Departmental reference number, if relevant: