

MUNICIPAL YEAR 2019/2020 REPORT NO. 73

MEETING TITLE AND DATE:

Cabinet Meeting
11 September 2019

REPORT OF:

Executive Director of Place

Director of Housing and Regeneration

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Agenda – Part: 1

Item: 8

Subject: Homelessness in Enfield

Wards: All

Key Decision No: KD 4959

Cabinet Member consulted: Cllr Needs

1. EXECUTIVE SUMMARY

- 1.1. The Smith Institute was commissioned to carry out research into the drivers of homelessness in the borough and how the Council should respond to a 246% increase in homelessness acceptances between 2010 and 2017. The full report is included as an appendix. The report makes it clear that the solutions to the rise of homelessness in the borough lie in the private rented sector.
- 1.2. The report and its recommendations are a stark reminder of the role of housing in alleviating poverty and of the Council's role as both an enabler and provider of rented housing. The scale of the challenge identified requires a radical change of direction in how the Council addresses the needs of households in crisis.
- 1.3. We are currently consulting on our draft Homelessness Prevention Strategy. This report focuses on the Council's statutory homelessness functions and sets out the Council's proposed response to the recommendations of the Smith Institute, alongside a vision for preventing and reducing homelessness with the aim of eliminating the use of temporary accommodation. Detailed proposals on a new service model for homelessness and temporary accommodation, an ethical lettings agency, and a revised allocation scheme will be brought to Cabinet following public consultation.

2. RECOMMENDATIONS

- 2.1. Endorse the direction of travel outlined in the report to put greater emphasis on homelessness prevention.
- 2.2. Authorise the following actions prior to bringing back further reports to Cabinet:
 - Negotiate terms to join Capital Letters (the Pan London Housing procurement agency) to access Government funding for the procurement of private rented accommodation
 - develop a business case for a lettings and property management agency
 - delegate to the Director of Housing and Regeneration, after consultation with the Cabinet Member for Social Housing, to go to public consultation on a revised scheme of allocation for social housing

3. BACKGROUND

- 3.1. As outlined in our draft Homelessness Prevention Strategy, the Council is committed to using all its resources and creativity to make the experience of homelessness rare, brief and non-recurring. We are determined to enable everyone to access a stable, secure and decent home.
- 3.2. The Smith Institute was commissioned to research the drivers behind the number of homelessness applications in Enfield and how Enfield Council can better support people to prevent homelessness more effectively.
- 3.3. The core message of the Smith Institute's research is that poverty is the key driver of homelessness. What sets Enfield apart from other London boroughs is a high number of poorer households living in the private rented sector. This combination of households with low levels of financial resilience living in a relatively fluid private sector housing market has led to a 246% increase in homelessness acceptances in Enfield over a seven-year period.
- 3.4. The sheer volume of requests for assistance have overloaded our homelessness services to the extent that we now have over 3400 households in temporary accommodation.

Type of Temporary Accommodation	No of Households
Nightly Paid	1948
PSL	662
PLA	661
B&B (mix of shared and self-contained)	61
Housing Association Leased	83
Total	3415

- 3.5. The 3415 households equate to 11,081 individuals currently living in temporary accommodation. Without action, this figure is projected to rise to over 4700 households (or 15,250 individuals) by 2025. Although the accommodation is designated as temporary, the reality for most people is that they will remain there for several years. To put this in context, each year roughly 245 social rented homes are let to homeless households in the borough. Any solution therefore needs to be firmly rooted in the private rented sector and we must act to ensure that this sector is developed and that residents and landlords are supported to make tenancies successful.
- 3.6. In developing the Council's response to the report, the scale of the challenge means that a radical change in direction is required to meet the needs of our most vulnerable residents. The economic outlook for the next twelve months is uncertain, and the most recent figures suggest that the economy contracted in the last quarter. What is clear is that any economic downturn will have a disproportionate impact on low income households in the borough. As the Smith Report highlights, low income families in the private rented sector lack the financial resilience to be able to weather a significant economic downturn.

4. DEVELOPING A NEW SERVICE MODEL FOR HOMELESSNESS PREVENTION

4.1. We propose meeting these challenges head on, taking a transformational approach to the prevention and alleviation of homelessness whilst ensuring that the needs of our residents are paramount. The key principles that underpin the proposed new service model strategy are:

- Private Rented Sector as the solution
- Clear communication and messaging with residents on their options
- Prevention and support is better than relief
- Temporary Accommodation should be genuinely temporary
- Give residents informed choices
- Focus on outcomes for residents

4.2. We recognise that the change in approach will lead to an increased cost of our prevention services. However, the current net cost to the Council of providing temporary accommodation is over £7m per year and this is projected to rise over the next five years without action. We believe that it is better to invest our scarce resources in the upstream prevention of homelessness rather than the provision of temporary accommodation. These proposals are therefore based on an invest to save model with the aim of eliminating the use of temporary accommodation over the next five years and in particular the use of temporary accommodation as a long-term option for residents. We will seek external funding to support this ambitious change including lobbying around fairer funding and retention/growth of the homelessness support grant.

4.3. Our plans are still at an early stage. We will be consulting with residents over the next few months on the overall design of services going forwards using a community commissioning framework. Detailed proposals on the design of services, a revised scheme of allocation, and an ethical lettings agency will be brought back to Cabinet following consultation with residents and other stakeholders. This paper seeks endorsement of the overall direction of the strategy. The key areas of focus are:

4.4. *Homelessness Prevention*

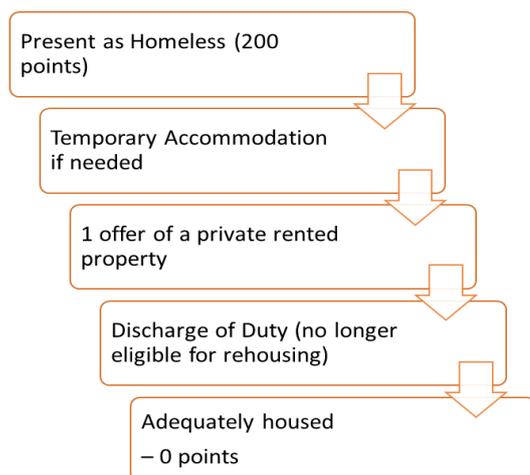
4.4.1. We want to focus our resources on the prevention of homelessness at the earliest possible stage, avoiding the need for temporary accommodation. The service will be intelligence led, using data to identify households most at risk of losing their existing home and targeting services to them. We will go beyond advice to actively advocate on behalf of residents to prevent homelessness. Where prevention work has failed this would allow sufficient time to locate a private rented sector tenancy without recourse to temporary accommodation. For this approach to be truly effective residents will need ongoing support. We will introduce pre- tenancy training for residents to both assist them in securing a property and sustaining it. This will sit alongside an enhanced support package to assist residents in sustaining their tenancy.

4.4.2. Our services will need to be easily accessible to residents at any stage in their housing journey to ensure that we are able to intervene before the household reaches a crisis. Services will be community based, operating from hubs within other existing Council services. Wherever possible we want to make

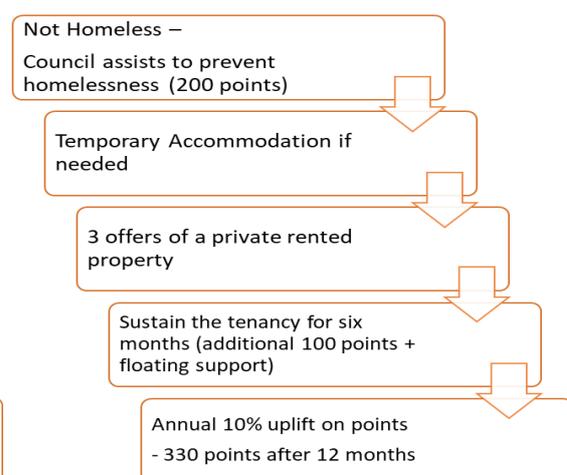
best use of the synergies available through colocation with other council services to maximise the benefit to residents.

- 4.4.3. Equally, if we are to maximise the benefits to residents whilst reducing the cost to the Council we need to strengthen our relationship with voluntary sector agencies and develop new partnerships with organisations able to leverage external funding. This will be particularly important in addressing the needs of single homeless people. The North London Housing Partnership is a joint project between Enfield, Camden, Barnet, Islington and Westminster. They have been successfully piloting an early prevention service operating out of John Wilkes House. This model will inform the development of the wider homelessness service.
- 4.4.4. We are also in discussion with the Single Homelessness Prevention Service (SHPS) about the provision of services in Enfield. SHPS is a pan London partnership that piloted an early intervention approach in Brent. They have been awarded £4.7M from the Life Chances Fund to roll out their service across London.
- 4.4.5. For this approach to be successful we will need to change the allocations scheme to incentivise residents to work with us to prevent homelessness. Under the existing scheme residents approaching us as statutory homeless are placed on the housing register and can be made an offer in the private rented sector. Once the offer has been made they are deemed to be adequately housed and so are removed from the register.
- 4.4.6. We propose to offer residents a choice of either pursuing the statutory route or working with us as part of our prevention work. Where a household works with us to actively prevent homelessness we will enable them to retain their points after securing a private rented sector tenancy and gain additional points for sustaining the tenancy. They would then be entitled to an annual uplift in points. The two proposed options that would be offered to residents are set out below:

Homeless route



Prevention route



4.5. Scheme of Allocation

- 4.6. The change in approach detailed above will require significant changes to the scheme of allocation. We aim to bring a revised scheme of allocation to Cabinet for approval in February 2020 following public consultation.
- 4.7. ***Cost effective supply***
- 4.7.1. We need to ensure access to the private rented sector for residents. This will include a variety of different approaches, working in partnership with other London boroughs and with the private rented sector. Key actions in this area include:
- 4.8. ***Joining Capital Letters (the pan-London housing procurement agency)***
- 4.8.1. Authority is sought to negotiate to join Capital Letters. The outcome of the negotiations will be the subject of a further Cabinet Report later in the year with a view for membership to formally start from April 2020. This is a joint endeavour between London boroughs to reduce costs on temporary accommodation and create improved outcomes for families. This is done via jointly procured supply of accommodation, and management.
- 4.8.2. Capital Letters will collaboratively procure new properties on behalf of London boroughs supported by the Ministry of Housing Communities and Local Government (MHCLG) using top-sliced Flexible Homelessness Support Grant to reduce the cost to boroughs and provide extra staffing, IT and other resources to improve the service offered to customers in housing need
- 4.8.3. The Capital Letters business plan estimates aggregate financial benefit of the proposals to London Boroughs are up to £116m, plus potential savings on changing how placements are made and reduced repeat homelessness through tenancy sustainment. It will also build on the effective work through the Inter Borough Accommodation Agreement (IBAA) which has led to reduced spending through rate sharing and the application of a cap on rates paid for certain types of accommodation. The company will work within this system and provide further opportunities to rationalise and secure efficiencies in the procurement of accommodation for homeless households.
- 4.8.4. Capital Letters will be set up in several phases, so that not all boroughs are required to join at once. Boroughs that do not join Capital Letters will still have properties procured by Capital Letters in their area but will not have access to them.
- 4.9. ***Establishing an ethical lettings and property management agency***
- 4.9.1. The aim of the Lettings Agency would be to help to develop a quality Private Rented Sector, ensuring that it is an attractive choice for landlords and that private rented housing contributes in reducing the Council's homeless duties by increasing the housing choices to better cope with demand. It could also provide access to the private rented market for those who are in employment but cannot secure a mortgage due to low income. This constitutes a significant and growing proportion of the population.
- 4.9.2. The Lettings Agency will focus on securing properties from private landlords. It would operate under the umbrella of Housing Gateway Ltd which is a company wholly owned by the Council. The intention would be to transfer properties currently leased as temporary accommodation by the Council to Housing Gateway. Residents could then be offered a long-term tenancy

rather than being in temporary accommodation. This brings forward the realisation of financial and social benefits by allowing the Lettings Agency to operate efficiently from day one, it also provides a strong financial rationale for its implementation independent of its success in securing management responsibility for private landlords.

4.9.3. To attract and secure private landlord properties for rent, the Lettings Agency/LBE may have to provide additional services and financial incentives to make lettings to nominated tenants a viable option. It is proposed that these would include floating support for tenants (that would also act as a point of contact for landlords), guaranteed rents, repairs and maintenance, and a fully-managed service with boiler servicing. It is possible that additional financial incentives may also be required given the strength of competition in the market.

4.9.4. The Lettings Agency would also incorporate the existing Homefinder service. This service matches prospective tenants with private sector landlords and offers help with deposits and rent in advance to ensure that residents can access the private rented sector.

4.10. ***Engaging with landlords and agents to enhance and promote the supply of private rented homes***

4.10.1. We need to proactively engage with private landlords at a variety of different levels including:

Prevention Focus

4.10.2. As part of our focus on prevention we need landlords to let us know when they are considering taking action against a tenant. This would enable us to act as a mediator to resolve any issues with the sustainment of the tenancy including providing the tenants with support in sustaining their tenancy. By working with landlords to ensure that tenants can successfully sustain their tenancy we want to build trust between landlords and the Council. We aim to enable more residents to be able to access the sector and increase the supply of private rented accommodation to low income households.

Supply

4.10.3. We will establish forums and ongoing communication with landlords. We need to understand the barriers that prevent landlords from offering tenancies to low income households and wherever possible act to remove these, or put measures in place to reduce the landlord's perceived risk. Many of our initiatives around both prevention and the development of an ethical lettings agency are predicated on building a strong relationship with private sector landlords and agents. Whilst there is an annual private sector landlords' forum the focus to date is on the Council's regulatory role rather than how the Council can increase the supply of homes into the sector and remove barriers for low income households.

4.11. ***The establishment of additional and selective licencing to drive up the quality of homes***

4.11.1. The private sector plays a pivotal role in how we can deliver good homes, and, as the Council, we have a vital role in improving and shaping it. This means we will use all the tools at our disposal to engage and support

landlords to deliver better housing, to tackle poor practice and increase new supply of better private rented homes which can offer security and stability for tenants.

4.11.2. We will support and work with landlords to improve standards of management within Enfield's private rented sector, whilst also taking a strong approach to tackling poor conditions and stopping rogue landlords and managing/letting agents.

4.11.3. Our approach also involves engaging with other private sector landlords and providing advice and guidance to support them to raise standards, as well as taking enforcement action to tackle rogue landlords and lettings agents. We are currently consulting on whether to implement an additional and selective licensing scheme for private landlords to drive up standards and reward good practice in the sector.

4.12. Temporary Accommodation

4.12.1. We will be seeking reduce the numbers of people needing temporary accommodation as part of our drive to prevent homelessness. For households already in temporary accommodation and for whom we have accepted a duty under the Homelessness Reduction Act we will work directly with them to assist them in securing private rented sector accommodation. Where necessary this will include making direct offers of accommodation.

4.12.2. Households for whom we accepted a duty prior to November 2012 have a statutory right to an offer of social rented housing. We will support these households in bidding through the Choice Based Lettings system. Where households are not proactively bidding for properties we will make one direct offer of a tenancy before discharging our duty.

4.12.3. As our need for long term temporary accommodation diminishes, we anticipate that there will be a need for short term temporary accommodation where households have yet to secure private rented sector accommodation. We anticipate that this requirement will be met through the provision of specialist accommodation. We will develop a Temporary Accommodation Strategy which will outline how we can insource the provision of in-borough genuinely temporary accommodation using existing assets, modular accommodation and short-life housing.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1. The primary option considered is to continue with the current approach. This is focused on prevention and relief of homelessness through the provision of temporary accommodation. Our projections suggest that if the number of requests for assistance remain at their current level the number of households in temporary accommodation and the associated costs will continue to rise.

6. REASONS FOR RECOMMENDATIONS

6.1. The human cost of homelessness and households spending years in temporary accommodation is enormous. At the same time the financial cost to the council of an ever-increasing number of households in temporary accommodation is growing. The proposals outline above represent a shift in focus and investment in the prevention of homelessness and support for

residents to proactively reduce the number of households reaching crisis point.

7. COMMENTS FROM OTHER DEPARTMENTS

7.1. Financial Implications

- 7.1.1. This report sets out the Council's desire to take a transformational approach to the prevention and alleviation of homelessness whilst ensuring that the needs of residents are paramount. These proposals will require an upfront investment initially which is still being quantified, but over the next 5 years the proposed service delivery model is anticipated to generate greater efficiencies in the cost of providing the homelessness service.
- 7.1.2. A comprehensive financial modelling exercise to quantify the costs/benefits of these proposals (see below) is in progress and once the financial implications are fully understood the outcome will be reported to Cabinet in the next phase of the decision-making process.
- 7.1.3. The key principles that underpin the proposed new service model strategy are listed below).
- Private Rented Sector as the solution
 - Clear communication and messaging with residents on their options
 - Prevention and support is better than relief
 - Temporary Accommodation should be genuinely temporary
 - Give residents informed choices
 - Focus on outcomes for residents
- 7.1.4. The current costs of developing these proposals and the financial modelling of the new proposed service provision are met from within the existing homelessness budget.
- 7.1.5. It is important to note that at this time there is no guarantee of FHSG funding beyond 2019/20 and the continued receipt of the grant will be crucial in taking these initiatives forward.

7.2. Legal Implications

- 7.2.1. The Homelessness Reduction Act 2017 made wide ranging changes to existing homelessness legislation. Prevention and Relief duties are at the forefront of the changes.
- 7.2.2. The Prevention and Relief duties moving from one duty to the next leading up to acceptance of a full housing duty if homelessness is not prevented or relieved and any duty to provide interim or temporary accommodation is effectively time sensitive and a homelessness application from start to a full duty acceptance requires substantial officer involvement and resources.
- 7.2.3. A focus on prevention as set out in this report and the successful or effective prevention of homelessness is in accordance with statutory duties and the Council's overall aims as set out in its housing and preventing homelessness & rough sleeping strategies particularly the updated strategies it will be introducing in the current municipal year.

7.3. Property Implications

- 7.3.1. Strategic Property Services are currently providing a professional property acquisition service to HGL where 500+ residential properties have been purchased to alleviate the pressures on temporary accommodation in Enfield. This report will have implications for HGL's business model.
- 7.3.2. The aspirations in this report are supported by Strategic Property Services and are in line with the Strategic Asset Management Plan and the optimisation of Council property assets to meet council objectives, which includes growth in the Private Rented Sector.
- 7.3.3. SPS recommend that their professional property expertise is utilised in the creation and procurement of the property management/letting agency.
- 7.3.4. All Council Property transactions (e.g. acquisitions and disposals) in relation to this strategy will need to comply as usual with the Property Procedure Rules and The Council's Constitution.

8. KEY RISKS

- 8.1. This project is at an early stage and key risks will be identified as the plans are developed.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1. Good homes in well-connected neighbourhoods

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.

9.2. Sustain strong and healthy communities

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.

9.3. Build our local economy to create a thriving place

- 9.3.1. The proposals 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. Through the creation of a landlord licensing scheme we will ensure that these homes are well maintained and good quality.

10. EQUALITIES IMPACT IMPLICATIONS

- 10.1. This report outlines the Council's proposed approach to the prevention of homelessness and the elimination of the use temporary accommodation. In doing so the proposals should have a positive impact on all residents in the

borough. Full Impact Assessments will be carried out for each of the proposals as part of the development of the strategy.

11. PERFORMANCE AND DATA IMPLICATIONS

11.1. This report outlines the Council's proposed approach to the prevention of homelessness and the elimination of the use temporary accommodation. A full analysis of the potential impact on data will be carried out once the proposals have been fully developed. Data on residents will be a key part of our prevention work to enable the Council to identify at risk households. The future proposals will therefore incorporate our data protection obligations and statutory duties.

12. PUBLIC HEALTH IMPLICATIONS

12.1. 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.

Background Papers

The Smith Institute Report - Why is Enfield facing high levels of homelessness and what are the options for change?