

London Borough of Enfield

Cabinet

Meeting Date 14 September 2022

Subject: Homelessness in Enfield (4)

Cabinet Member: Cllr Savva

Executive Director: Joanne Drew (Acting)

Key Decision: 5511

Purpose of Report

1. This report updates the Cabinet on progress with the Council's Homelessness Prevention Strategy and seeks approval to introduce new measures to continue to deliver our vision of making homelessness something that is rare, brief and non-recurring. This will include measures to make more accessible private rented accommodation available and the next steps in aligning TA rents to support the objectives of the strategy. It also outlines the implications of the Private Renters Bill which is set to become law by the end of 2022. Cabinet has previously called on Government to ban no fault evictions (s21) and this is now part of the draft legislation.

Proposals

2. Increase the number of homes available for residents to rent, by approving the Council's application to the Secretary of State to enable vacant properties on Council Housing estates awaiting regeneration to be leased to Housing Gateway Ltd on short term tenancies.
3. Increase the number of homes available for residents to rent, by approving the increased management fee paid to Housing Gateway for Enfield Let properties under the Offer to Agents.
4. Highlight the significant pressures that Enfield is facing in the current environment as part of the consultation on the future allocation of the Homelessness Prevention Grant.
5. Given the forecast pressures and costs to the council outlined in this report, set rents for temporary accommodation at Local Housing Allowance levels for the size of property and location effective from Monday 7th November 2022 with the exception of shared accommodation, which will remain at its current rate.
6. Highlight the significant pressures that Enfield is facing on the spend of its Discretionary Housing Payment (DHP) grant allocation from Government, and to prevent homelessness, allocate £1.2m council funding for DHPs from the welfare reform reserve for the remainder of 22/23.

Reason for Proposals

7. The use of Housing Gateway to let properties on Council Housing estates awaiting regeneration will maximise the use of our existing housing stock,

increase the supply of privately rented homes for residents and increase the revenue flowing to the Housing Revenue Account.

8. Approving the increased management fee to Enfield Let will increase the supply of privately rented accommodation for residents in temporary accommodation.
9. Setting temporary accommodation rents at Local Housing Allowance levels will remove a key barrier that disincentivises residents from accessing the private rented sector. This will equalise rents between the two tenures.
10. Temporary accommodation rents have not risen since 2011 meaning that residents become trapped in temporary accommodation because of the disparity with the private rented sector.
11. The low charge for temporary accommodation means that the Council is effectively subsidising temporary accommodation rather than focusing our investment on prevention and early intervention that reduces the risk of residents experiencing a homelessness crisis with temporary accommodation the only remaining solution.
12. DHPs are a payment made to households at threat from homelessness, designed to prevent homelessness by providing them with a temporary payment to cover housing costs while they are finding a sustainable solution to their housing needs. DHPs are also used to support people leaving temporary accommodation. This year Enfield's allocation from Government for DHPs was reduced by 30% to £1.64m. By the end of Q1, 33% of this was spent and a backlog of 500 cases built up due to a demand that has almost tripled since last year (from 6 to 20 applications being received a day). If demand continues at this rate it is estimated that the budget will be spent by November/December 22. The Council has a choice to either stop all DHP payments once the government funding has gone, or to contribute its own funds to DHPs – which would produce a budget pressure of c£ 1.2m.

Relevance to the Council Plan

Good homes in well-connected neighbourhoods

13. 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

14. 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

15. 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.

Background

16. As outlined in our 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.
17. In 2019 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 the rate of homelessness acceptances between 2010 and 2017.
18. The core message of the Smith Institute's research was that poverty is the key driver of homelessness. What set Enfield apart from other London boroughs was the 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 led to a 246% increase in the rate of homelessness acceptances in Enfield over a seven-year period compared with 35% across London.
19. The increased rate of homelessness had led to a steady rise in the number of households in temporary accommodation with over 3450 households living in long term temporary accommodation.
20. In response to the report, Cabinet approved a new strategy to address the rising numbers of households experiencing homelessness and in long term temporary accommodation. The key strands of the strategy were:
 - Private Rented Sector as the solution
 - Clear communication and messaging with residents on their options
 - Prevention and support are better than relief
 - Temporary Accommodation should be genuinely temporary
 - Give residents informed choices
 - Focus on outcomes for residents
21. Subsequent Cabinet reports were approved on partnering arrangements with Capital Letters and the Single Homelessness Prevention Service, and the allocation of housing covering temporary accommodation, private rented sector placements, intermediate housing and social housing. Taken together these were designed to create a holistic approach to the distribution of homes across all housing tenures.
22. The business case for the transformation was based on two principles:
 - Improving the quality of service and outcomes for residents
 - Reducing the financial burden placed on the Council
23. This recognised that the highest cost to the Council was the provision of long-term temporary accommodation. The business case was therefore based on an invest to save model with increased staffing on prevention and early intervention being paid for through a reduction in the number of households in temporary accommodation. Based on historic performance we forecast that

the number of households in temporary accommodation would rise by 10% each year without action.

24. This vision for the new service is therefore:

To enable everyone to access a stable, secure and decent home regardless of tenure.

- Step in to prevent people from becoming homeless at the earliest possible stage, rather than waiting until they have a crisis
- Equip people with the skills to manage a tenancy in the PRS through training and support
- Reshape the housing market to improve access to housing in the private rented sector for residents whilst improving quality

25. The core aims are to:

- Have fewer than 500 household in temporary accommodation within five years
- No one being in temporary accommodation for more than six months

26. The service model was developed pre Covid and the operating environment and Central Government policy have changed significantly over the last three years. This report therefore sets out progress against the original plan, changes, and pressures in a post Covid world, and proposals to adapt the service to meet these new challenges.

Operating Environment

Covid Pandemic

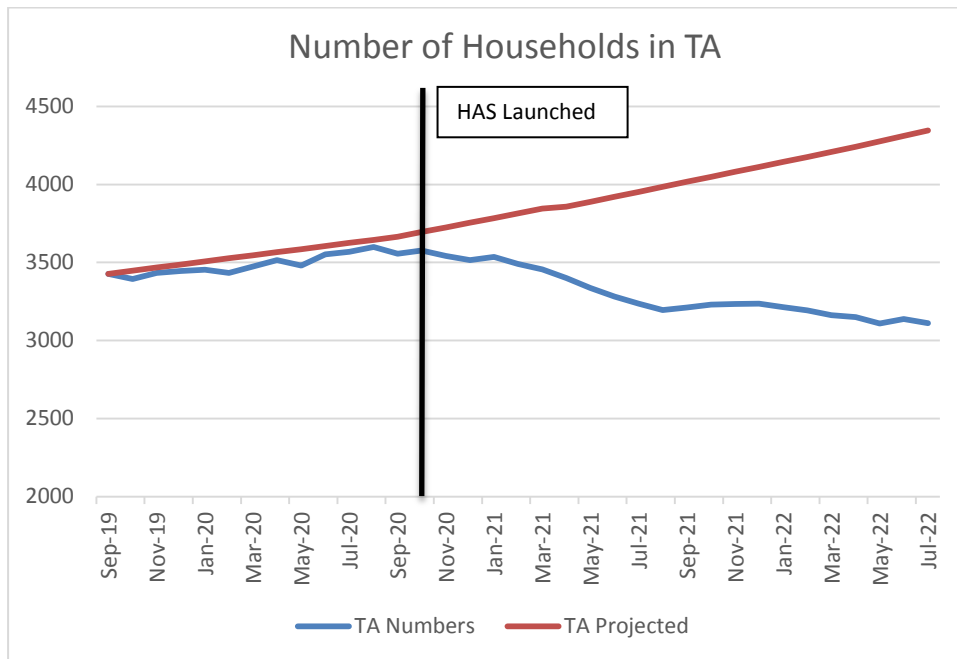
27. The impact of Covid cannot be overstated. In the first days of the initial lockdown the government asked the Council to bring all rough sleepers off the streets and to move those accommodated in night-shelters into self-contained units.

28. Between April and August 2020, the Council provided emergency accommodation to over 500 people and the number of households in temporary accommodation climbed to 3665 by June 2020. Edmonton Travelodge was converted into a hostel for three months.

29. The Council was successful in securing over £10m of additional capital and revenue funding to secure move on accommodation and develop support services for rough sleepers. This formed the basis for the new Street Homelessness Team. The experience of running Travelodge informed the design and delivery of a new Somewhere Safe to Stay Hub which opened in January 2021, provision which is being expanded to be available in August 2022 and ready for the winter. This provides accommodation for verified rough sleepers, rapid assessment and move on services.

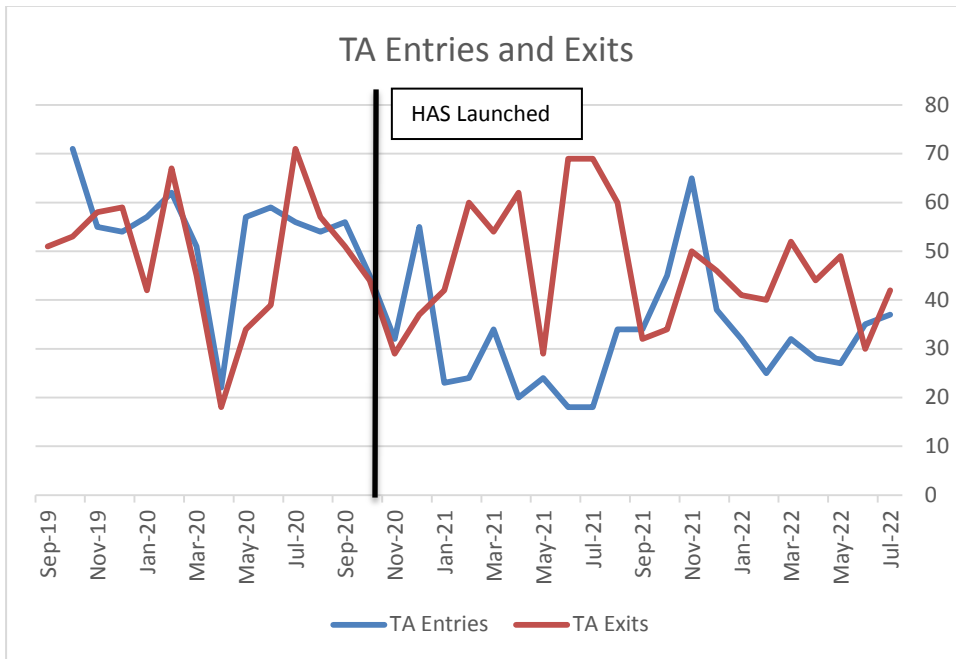
30. Recruitment to the Housing Advisory Service was delayed by the first lockdown and its aftermath and so did not commence until September 2020. This in turn delayed the launch of the new service to the end of October 2020.

31. During the pandemic, private landlords were barred from evicting tenants. This meant that most of the people approaching the service for help did so as a result of relationships breakdown. The number of homelessness approaches remained fairly constant at around 200 per month throughout the pandemic. This was similar to pre-pandemic levels, reflecting the increased strain on relationships as a result of the successive lockdowns.

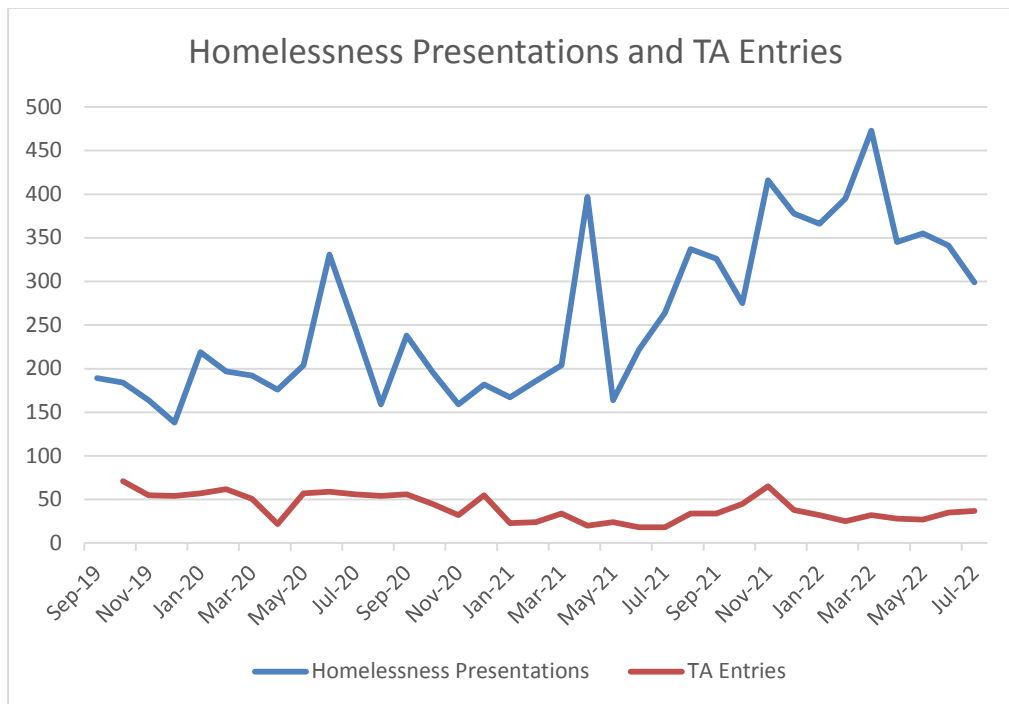


32. Covid therefore suppressed the number of evictions but it also made it much more difficult to secure privately rented accommodation as fewer people were moving and parts of the housing market had effectively paused during the pandemic.

33. The impact of our focus on prevention was immediate. The service launched in October 2020, and the increased prevention activity meant that fewer households needed to move into temporary accommodation.



34. Initiatives to help residents to move to the private rented sector included the launch of Enfield Let (our ethical lettings agency), Capital Letters procurement increasing supply, and changes to the allocations scheme that both encouraged residents to move out of temporary accommodation and prioritised those unable to do so for social housing. This in turn led to the number of households living in temporary accommodation falling for the first time in many years, bucking the national trend.
35. The end of the last lockdown in April 2021, resulted in a surge of households presenting as homeless. However, our focus on prevention meant that this was not reflected in the number of households moving into temporary accommodation.
36. In August 2021, the government lifted the ban on evictions. This produced an immediate surge in the number of households entering temporary accommodation. The courts are still working their way through the backlog of evictions and this is reflected in the number of households presenting as homeless. However, the number of households entering temporary accommodation remains low in comparison with previous years due to the impact of our prevention-based service.



37. The impact of landlords evicting tenants, combined with the on-going cost of living crisis has meant that the number of households approaching the Council for help has risen from 196 in October 2021 to 473 in March 2022 (a 241% rise). The number of households presenting as homeless fell in April but rose in May with 355 households approaching the service. July and August are usually the quietest time of year but presentations still twice the level for the same time last year. We anticipate that the high number of households in need of assistance will continue for at least the next two years, reflecting wider changes in the housing market.

38. Despite these high figures the service has effectively intervened so that the number of households needing emergency accommodation remains relatively low, with only 37 out of the 299 households needing temporary accommodation in July.

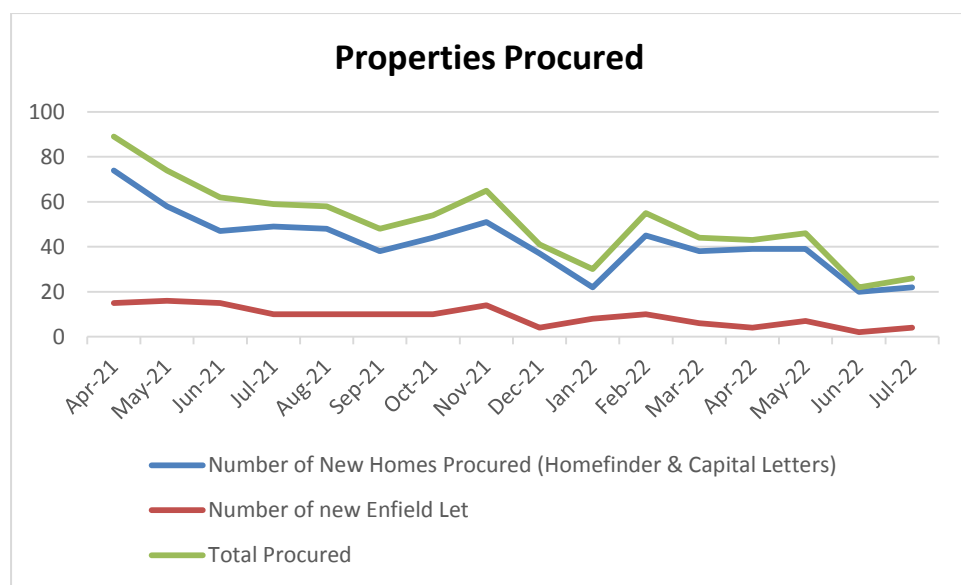
Market Changes

39. House prices were initially boosted by the government through waiving stamp duty on purchases for a limited time. Since then house prices have continued to climb. This in turn has led many landlords to consider selling their properties to take advantage of the high market value.

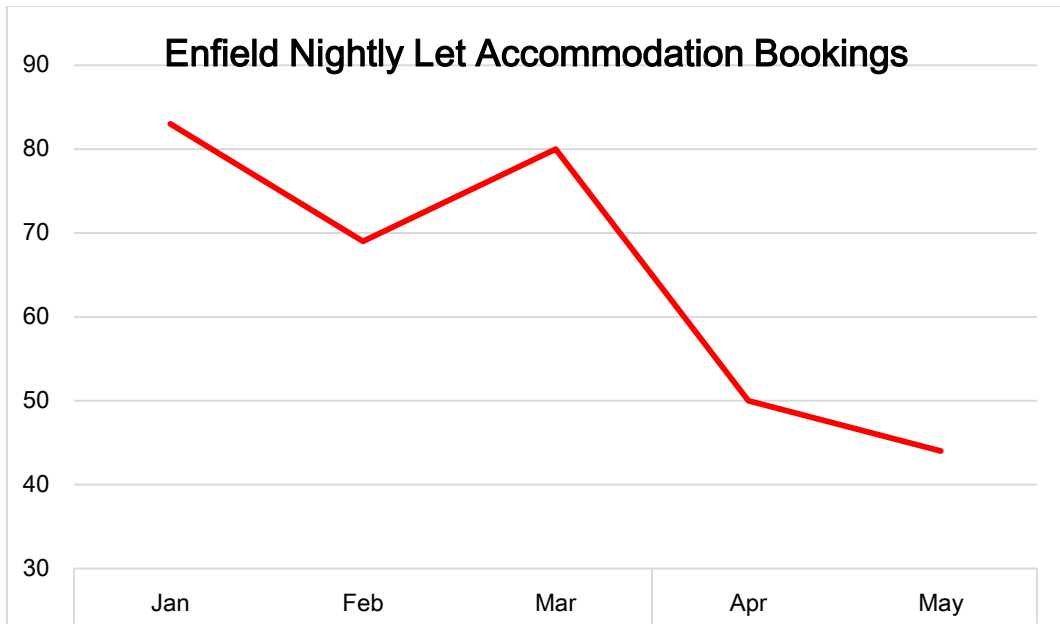
40. The government has recently made several proposals to increase the regulation of the private rented sector. The key elements of the proposals are:

- Removal of s21 'no fault' evictions
- Decent homes standard extended to cover private rented properties for which consultation has now been published
- Minimum EPC rating for new lets to be EPC band C from April 2025
- Minimum EPC rating for all lets to be EPC band C from April 2028

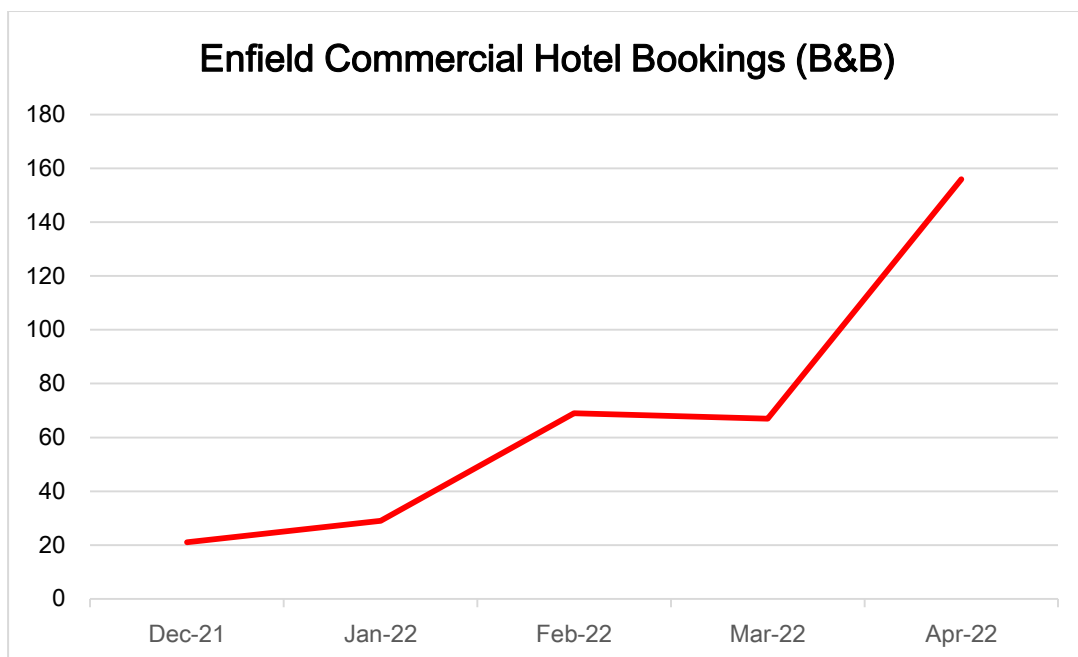
41. These proposals are all welcome developments in improving the quality of properties in the private rented sector. Our Licencing scheme plays a vital role in driving up the quality of properties in the private rented sector. Since its introduction in 2021 it has registered some 13,500 properties and ensured compliance with gas and electrical safety for these properties. The Council has received £4.7m in license fees to date with another £3.7m pending payment. Five cases are being progressed for prosecution and the team have imposed 59 financial penalties for housing related offences. It will have an ongoing role in ensuring the enforcement of new standards in the Private Renters Bill.
42. However, for landlords, the high market value combined with the cost of improving their properties means that many are exiting the market, and this is a trend that may be expected to continue.
43. These factors have led to a shortage of the supply of privately rented properties and a rise in rent levels. Research carried out by Savills (on behalf of Capital Letters) suggests that rents have increased in Enfield by between 4% and 6%. They also found that there had been a 42% reduction in the supply of private rented properties in Enfield over the last two years.
44. These figures match the experience of the Housing Advisory Service. The supply of private rented properties at Local Housing Allowance rents has reduced by 61% over the last year.



45. The changes in the housing market have also impacted the supply of temporary accommodation. Nightly paid accommodation is below LHA rent levels and so supply has been impacted by the rise in rent levels.



46. This shortage of temporary accommodation means that the service has been dependent on commercial hotels and shared accommodation in recent months. This is not suitable for residents, particularly those with children, for any length of time and it is also expensive for the Council.

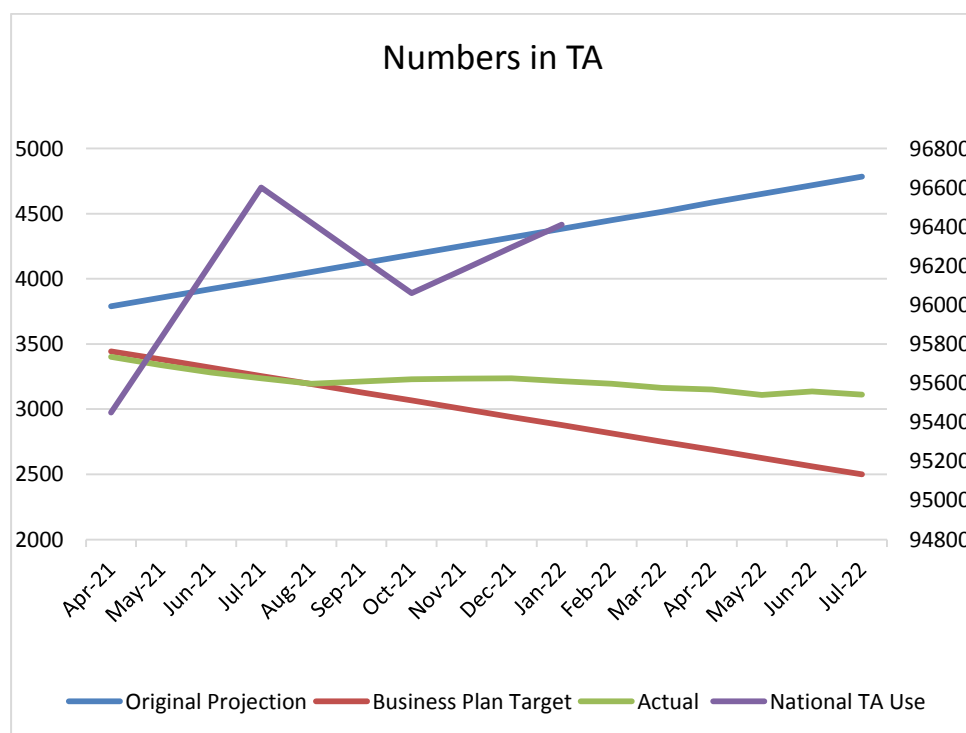


47. Nationally the use of temporary accommodation has continued to climb with over 96,000 households in temporary accommodation at the end of the third quarter of 2021/22.

48. The original business plan for the Housing Advisory Service was based on assumptions developed before Covid. These assumptions have proved to be correct in terms of the increasing demand and therefore levels of temporary accommodation usage without our new service model. However, our assumptions for reduced use of temporary accommodation have not been fully realised due to the pressures resulting from the pandemic outlined in this

report and illustrated below. It is likely that the number of households in temporary accommodation across the country will exceed 100,000 during 2022-23 with two thirds of this usage being in London.

49. In Enfield, the Council has reduced the number of households in temporary accommodation by around 400. The original business plan target was to have just under 2700 households in temporary accommodation by the end of 2021/22. This target was not achieved and there were 3163 households in temporary accommodation at year end. This in turn resulted in a budget deficit of approximately £1.5m for the year.



50. The changes in the wider housing market mean that we will need to adapt our offer to residents and landlords.

Benefits System

51. Welfare benefits play a key role in trapping people in temporary accommodation. Most people are aware of the benefit cap and this limits single people and households with more than two children who are not in employment. However, whilst a household is in temporary accommodation, they are entitled to full Housing Benefit provided they have a Universal Credit claim regardless of their income. Their Housing Benefit is not included in the benefit cap calculation. If they move to a private rented property, they will be worse off as their housing costs will be included in the calculation. This effectively traps people on Universal Credit as it means that it is always cheaper for them to live in temporary accommodation than any other tenure.

52. The government has recently announced plans to accelerate the transition from legacy benefits to Universal Credit. This is important because it will mean that more people in temporary accommodation will be entitled to full housing benefit.

53. The lack of alignment of the benefit system and temporary accommodation rents is therefore trapping households in temporary accommodation, as even households securing Council Housing tenancies at social rent are financially worse off.

54. The Council is responsible for administering Housing Benefit. We pay the claimants and then recoup the cost of this from the government. The situation is different for households in temporary accommodation as the maximum amount we can reclaim is 90% of the 2011 Local Housing Allowance rate.

55. As an illustration of how this works in practice:

- We pay housing benefit to a resident in Temporary Accommodation (for a three bed this is £1343/month).
- We can only claim back 90% of the 2011 rate of Local Housing Allowance from central government (for a three bed this is 90% x £1300 = £1170/month)
- There is a gap of £173 per month between what we pay out on Housing Benefit and what we are able to reclaim for this household.

56. The Council paid £4,467,000 in 2021/22 subsidising this Housing Benefit gap. Financial projections suggest that in 2022/23 the Council will spend £5,992,000 subsidising Housing Benefit due to the increased numbers transitioning onto Universal Credit. By December 2024, when the transition process is due to be completed, this subsidy will have increased to £12m pa.

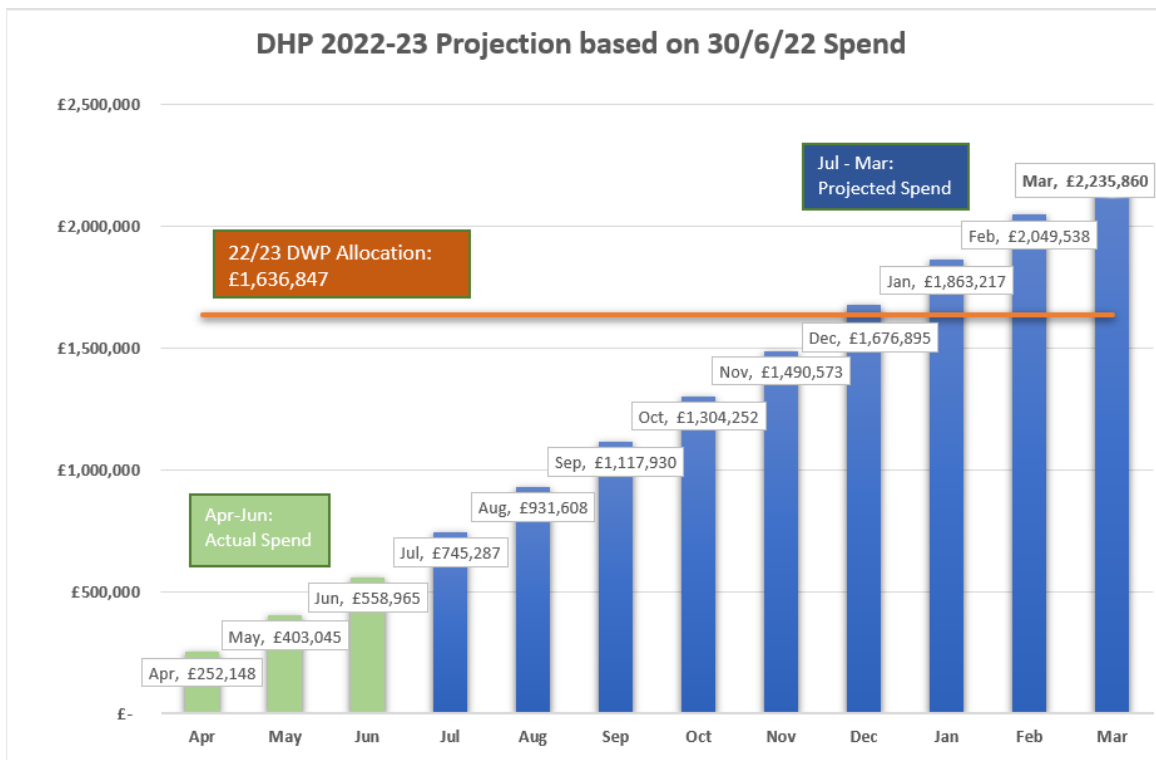
57. The benefits system for residents in temporary accommodation is therefore dysfunctional. It is both trapping households in temporary accommodation and passing the cost of providing that accommodation on to local authorities.

58. We are highlighting this issue to government to address the issue of how Housing Benefit is treated for those in temporary accommodation.

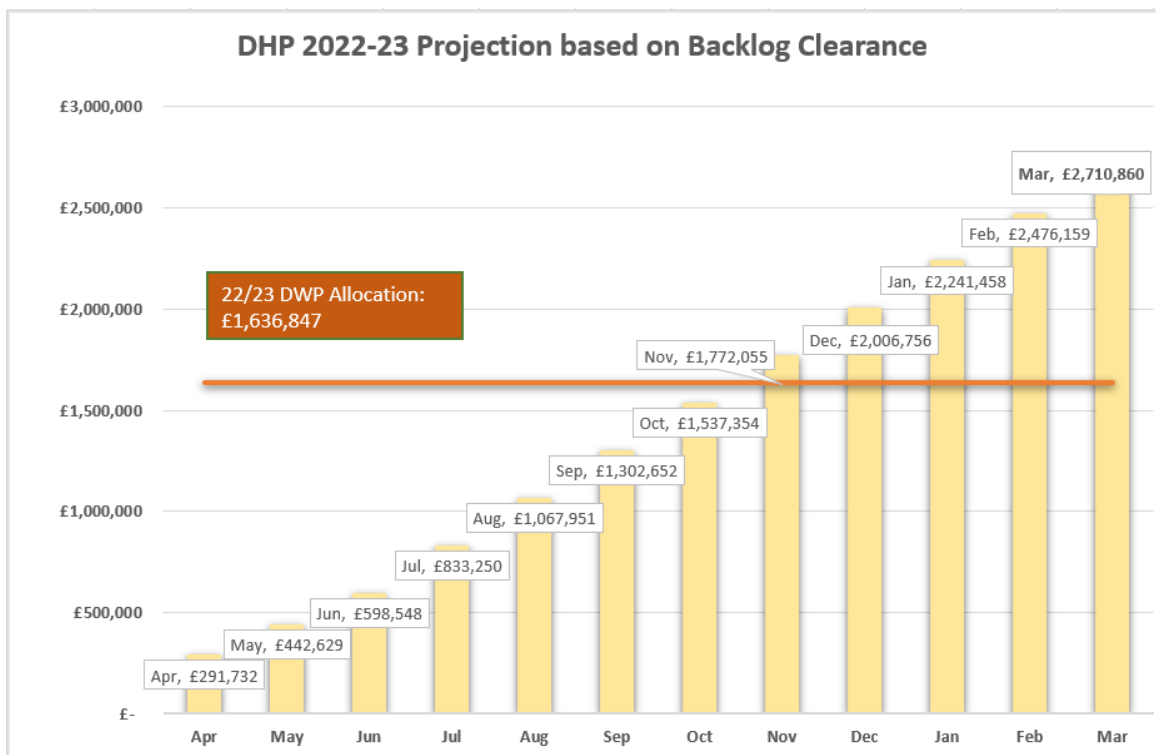
Discretionary Housing Payments (DHP)

59. Each February the DWP provide information about how much DHP funding is to be allocated for the following Financial Year. In recent years this allocation has been inconsistent and has not reflected demand, and in the last 2 years there has been an overspend that was met from Covid funds. Last year's total spend on DHPs was £2.7m, of which the Council contributed £350k.

60. The graph below demonstrates that the Government's DHP allocation to Enfield is estimated to be spent by December 22, based on the actual spend in Q1.



61. However, the calculation below estimates the additional cost of the current backlog, which estimates that the Government DHP allocation would be spent by November.



62. The table below shows how the yearly allocation has fluctuated which makes it difficult to plan the spending for that year and adapt criteria. 22/23 is particularly difficult as the government allocation has been reduced by 30% at a time of great demand and an increase in need.

DHP Government Contributions and Spend

	Government contribution	Deposit DHP Spend	UC DHP Spend	HB DHP spend	Total Spend	Council Contribution	Applications	Awards	Refusals
22/23 @30/6/22	£1,636,847.00	£0.00	£287,414.97	£271,550.07	£558,965.04	???			
21/22	£2,357,321.00	£15,334.33	£1,845,401.27	£892,842.73	£2,753,578.33	£396,257.33	1949 (927 UC)	1110	734
20/21	£2,973,507.00	£135,289.57	£1,736,940.83	£1,310,326.41	£3,182,556.81	£825,235.81	2525 (1001 UC)	1579	946
19/20	£2,249,300.00	£251,157.89	£645,642.49	£1,584,527.05	£2,481,327.43	£232,027.43		1321	
18/20	£2,131,652.00	£400,539.96	£363,212.91	£1,398,222.88	£2,161,975.75	£30,323.75		702 (HB)	
17/18	£2,366,118.00	£1,148,869.77	£0.00	£1,378,946.50	£2,527,816.27	£161,698.27			

Homelessness Prevention Grant

63. The government is currently consulting on a new formula to determine future grant allocations. The Council's grant allocation for 2022/23 was £8,927,796. This reflects the high numbers of households in temporary accommodation under the previous formula for calculating the grant.
64. The proposed new formula is based on the distribution of two funds. The first fund is £200m and would be distributed according to a formula designed to estimate the number of households in temporary accommodation. It would not be based on actual data submitted.
65. Two options are proposed for calculating temporary accommodation pressures.
66. Option 1. Local authorities would be allocated either the greater of their share of:
- The sum of their homelessness acceptances, prevention into the PRS, relief into the PRS, accounting for PRS rents data, or
 - 90% of their historic TA spend data, or
 - £40,000
- whichever is the greatest in value.
67. Option 2. Local authorities would be allocated either the greater of their share of:
- The sum of their homelessness acceptances, prevention into the PRS, relief into the PRS, accounting for PRS rents data, or
 - A relative 75% share of their population-weighted ACA (Area Cost Adjustment), or
 - £40,000
- whichever is the greatest in value.
68. The second fund is for £110m. This would be split into two:
69. £88m would be allocated according to the "Share of pressure determined via the number of housing benefit claimants and households on universal credit with the housing element, lower quartile monthly private rented sector rents for 2-bedroom properties, area cost adjustment"
70. £22m would be allocated according to "The share of total single adult households owed a prevention or relief duty (where there is missing data, the share is calculated as 75% of part A)"

71. We have modelled the impact of the proposed formulas which would be capped at 5 and 10% reductions in the first two years respectively:
- Option 1 would result in a 12% decrease in funding
 - Option 2 would result in a 58% decrease in funding
72. We have highlighted to government our serious concerns as the proposals do not address the linkages between benefits and homelessness funding streams. The proposals do not look at the overall cost of homelessness to the Council and therefore do not address the fundamental changes needed in the funding regime. The Council currently receives grant funding of £8.9m pa. Of this £4.5m is spent on subsidising Housing Benefit. In their current form the proposals are not fit for purpose. What is clear though is that temporary accommodation rents fixed at the 2011 rate will continue to increase the cost to the council with a funding formula that does not address this.

The new Housing Allocations Scheme

73. Cabinet approved the new allocations scheme in July 2020, and it went to full Council for approval in September 2020. Implementation of the scheme included a new IT system for managing the Housing Register. The scheme went live on 18 December 2020. As part of the implementation households on the housing register were reassessed against the new Allocations Scheme, new log in details were sent to around 3500 households together with the outcome of the assessment process.
74. The allocations scheme was designed to change the Council's approach to the allocation of social housing, focusing on enduring needs rather than the needs of the household at the point of application.
75. Additional provisions in the scheme were designed to incentivise residents to look at the private rented sector as a realistic alternative to temporary accommodation. Households moving to a privately rented home gain additional priority on the Housing Register. This reversed the previous approach where households moving to the private rented sector were removed from the Housing Register.
76. Minor amendments to the scheme were approved by the Cabinet Member for Social Housing in December 2020 and July 2021. The changes were to correct some of the wording in the scheme, give additional priority to households seeking to downsize, clarify the position for those left in occupation, and align the scheme with the new Domestic Abuse Act.
77. Further changes were agreed in July 2022 to enable households who are homeless at home, to benefit from the scheme.
78. The impact of the Allocations Scheme has been significant. At the start of the Housing Advisory Service there were 660 households in temporary accommodation who had been there since before November 2012. There are now 440 households in this position. This reflects both the system of direct offers to residents in temporary accommodation and the increased priority given to households moving to the private rented sector.

79. The cross-Council Housing Panels are working to assist both Adult Social Care and Children and Family Services to meet the needs of resident they work with. Each panel meets monthly and considers around 15 cases per month. The panels have been able to take a more holistic approach to the issues being presented and have helped to develop a much closer working relationship between housing and social care whilst also delivering improved outcomes for residents.
80. Under the previous Allocations Scheme, residents who secured a private rented home were removed from the Housing Register. This meant that the number of households on the Housing Register was fairly static at around 3500 households. The new scheme has enabled households to remain on the Housing Register and to gain additional priority by moving to the private rented sector. As a result, the number of households on the Housing Register has increased to 5500. Because people are now only removed from the Register when they are rehoused into social housing, we expect this number to continue to grow by approximately 1000 per year.
81. The Allocations Scheme covers all social housing lets in the borough. This means that registered providers (housing associations) are expected to make 75% of their lets through the Housing Register. We have introduced new monitoring arrangements where registered providers declare all of their lets on a monthly basis. We then verify these at year end against their statutory returns.
82. In 2021/22, the Council received 75% of registered provider lets within the borough.
83. The service is funded by a proportionate recharge to the Housing Revenue Account (currently 78%) based on the split between registered provider and Council Housing lets. The remainder is funded through the general fund. We are currently developing proposals to recharge some of the costs of the administration of the Housing Register and allocations to registered providers.

Capital Letters

84. Cabinet approved joining Capital Letters in January 2020. Capital Letters is owned jointly by participating London boroughs and 21 boroughs have joined to date. It acts as a centralised procurement agency for council to procure private rented properties for homeless households.
85. Enfield formally joined Capital Letters in April 2020 and began supplying the Council with properties in August 2020. Over the last two years the proportion of properties offered to Enfield residents. At the current time Capital Letters makes up approximately 50% of our procurement.
86. Capital Letters is subject to the same pressures in terms of the supply of properties as our internal procurement services. The overall supply of properties from Capital Letters has therefore halved over the last year. The huge advantage in procuring through Capital Letters is that it reduces the level of competition for properties within Enfield. With the majority of London

boroughs being part of Capital Letters, the level of competition has reduced. This in turn has reduced the upward pressure on incentives for landlords.

87. Capital Letters has secured funding from the government for a further two years. During this period, it will need to develop a sustainable business plan to enable the organisation to be financially viable without grant support. We are working with Capital Letters to create a business model that will both be viable and benefit Enfield residents. At the current time Capital Letters forms around 50% of our procurement activity.
88. We are in the process of realigning our staffing to both support Capital Letters and maximise the benefit of our membership. We had been paying Capital Letters to provide procurement staff. This will be replaced by us seconding staff directly into Capital Letters.
89. Our procurement activity will be focused on those areas and products that Capital Letters does not work in or with. Capital Letters will focus on procurement within Greater London at Local Housing Allowance level. The Council's procurement team will focus on Enfield Let leasing, properties above Local Housing Allowance, and procurement outside greater London as required.

Single Homelessness Prevention Service (SHPS)

90. The Housing Strategy highlighted a potential affordability issue for single residents who are over 35 for new Council homes (although there are few residents with a priority need) and single people who are under 35 years old who have additional restrictions on their private sector housing costs (they are only eligible for shared accommodation rates through the benefit system). This means that there are few genuinely affordable housing options open to them.
91. SHPS is the first outcomes-based Homelessness Prevention service in the world designed to align to the additional duties on Local Authorities under the Homelessness Reduction Act.
92. The model is based on payment by results and is part funded by the Ministry for Housing Communities and Local Government. Payments are triggered at three different stages:
- Accepting a referral
 - Placing someone in accommodation or preventing their homelessness
 - Sustaining a tenancy for eight months
93. We launched the new service in August 2020, before the creation of the Housing Advisory Service. Since then we have continued to improve the coordination between the statutory and non-statutory side of our services. SHPS has played a vital role in reducing the number of single people being placed into temporary accommodation. We currently refer around 50 cases each month to SHPS and their success rate in securing accommodation is currently 68%.

94. Since launching the service SHPS has accepted 654 referrals and secured housing for 80% of these referrals. Tenancy sustainment is achieved in 80% of cases reflecting the ongoing support being offered.

Main Considerations for the Council

Temporary Accommodation Rents

95. The Housing Advisory Service was established to address the chronic levels of homelessness in the Enfield and provide increased levels of support to residents suffering the trauma of homelessness.

96. The service model is founded on using the private rented sector to meet the immediate needs of homeless households, and incentivising residents to move into private rented sector (PRS) by giving them increased priority for social housing. The service also works to improve the range and quality of private rented accommodation available.

97. A key barrier in encouraging residents to move on from temporary accommodation is that the rent level in temporary accommodation is significantly below rent levels in the private rented sector. There is a perception amongst residents that temporary accommodation is cheaper to live in because of the disparity in rent levels. Local Housing Allowance rates went up in April 2021 and are now significantly higher than temporary accommodation rents.

98. Temporary accommodation is leased from landlords and relet to residents. The Council pays more to landlords than it receives back in rent. This means that the Council is subsidising the rent for households in temporary accommodation regardless of their income.

Monthly	Lease costs (NPA)	LHA	Temporary Accommodation Rent
1 Bed	£1,031.33	£1,067.04	£870.87
2 Bed	£1,274.00	£1,296.45	£1,074.23
3 Bed	£1,456.00	£1,595.62	£1,343.33
4 Bed	£1,698.67	£1,894.79	£1,625.00

99. Residents who are on legacy benefits, or not claiming benefit at all, do contribute towards their rent. However, the Government have announced an acceleration in transitioning households on legacy benefits onto Universal Credit. As residents' transition on to Universal Credit they will become entitled to full Housing Benefit.

100. The Council is responsible for paying Housing Benefit and recouping the cost from the Government. For private tenants the Council is able to reclaim the full cost. However, for residents in temporary accommodation the council is only able to reclaim 90% of the 2011 Local Housing Allowance rate plus a management fee. This leaves a significant gap between what the Council pays out and what it receives from Central Government. With more households transitioning onto Universal Credit, this gap is set to increase.

101. Rent levels for existing tenants in temporary accommodation have not been increased since 2011. Rents are currently set at 90% of the 2011 LHA as this is the maximum amount of Housing Benefit that can be reclaimed from central government.
102. In April 2022, rents for new temporary accommodation placements were set at current Local Housing Allowance levels. This has not impacted residents needing emergency accommodation as the households accommodated have been on Universal Credit and so automatically entitled to full Housing Benefit.
103. The proposal is to increase temporary accommodation rents for all tenants to Local Housing Allowance levels for the area in which they live. Future rent increases would be tied to increases in the Local Housing Allowance.
104. For residents in temporary accommodation in Enfield this would mean a rent increase of between 16% and 22% depending on the size of property.

Property Size	Current Rent	Proposed Rent	% Rise
1 bed	£870.87	£1,067.04	23%
2 bed	£1,074.23	£1,296.45	21%
3 bed	£1,343.33	£1,595.62	19%
4 bed	£1,625.00	£1,894.79	17%
5 bed	£1,625.00	£1,894.79	17%

105. The impact on residents in out of borough temporary accommodation will depend on the Local Housing Allowance rate in the area in which they were placed. **Full details can be found in the attached appendix.**
106. There are just under 3100 households living in temporary accommodation. Of these, the vast majority would have the rent increase covered by their benefits in full. There are 372 households who are not in receipt of benefits but the majority of these are households awaiting their claim to be processed. There are only 101 households who are not on any form of benefit and they would need to either pay more towards their rent or apply for welfare benefits.
107. The only households on benefits who would be impacted by the rent increase would be those who are not on Universal Credit but are claiming legacy benefits and potentially subject to the benefit cap. The benefit cap prevents couples and people with children from earning more than £23,000 per year through benefits, and single people without children from receiving more than £15,410 per year. People in receipt of disability benefits are exempt from the cap.
108. There are currently 52 households in temporary accommodation subject to the benefit cap. Analysis of the data suggests that of these 52 households, 8 should not have been capped and we are working with these households to resolve their benefit issues.
109. Increasing temporary accommodation rents to Local Housing Allowance levels would increase the number of capped households by 182. However, the true figure is likely to be much lower than this as all those on legacy

benefits are due to transition onto Universal Credit by December 2024. As households' transition onto Universal Credit they become entitled to full Housing Benefit meaning that their rent would be covered in full.

110. Increasing temporary accommodation rents to match the Local Housing Allowance would mitigate the increasing cost of the Housing Benefit subsidy by around £958,000 during 2023-24.
111. We will continue to highlight to Government the need to change the Housing Benefit rules to enable the Council to reclaim the full cost of Housing Benefit for those in temporary accommodation.

Enfield Let offer to Agents

112. In January 2020, Cabinet approved the establishment of Enfield Let as a division of Housing Gateway Ltd (HGL). The intention behind this was to lease properties from private landlords and to let them to Enfield residents as assured shorthold tenancies, with HGL as the landlord.
113. Each property converted from temporary accommodation to an assured shorthold tenancy produced a saving to the Council of £2,500 pa. A per property management fee is paid from this to HGL in order to assist with the early years of the business plan, recognising that Enfield Let would only break even once it had around 800 properties in management. The management fee is currently 10% of the rent roll.
114. The original intention was to convert 200 existing Private Sector Leased properties to Enfield Let with a target of leasing a further 120 to HGL by the end of 2021/22 and 800 properties by the end of year 5. This has proved challenging to achieve because of reluctance by landlords to lease properties to an independent company, issues over the condition of properties, and the affordability to the residents living in these properties. There are now 260 properties in the Enfield Let portfolio.
115. One of the key challenges in converting properties used as temporary accommodation to assured shorthold tenancies within Enfield Let has been the role of managing agents.
116. Most of our temporary accommodation is managed by managing agents who in turn lease properties from private landlords. Agents make their money by offering a repairs service and guaranteed rent to landlords making this a relatively safe and low risk option for landlords. Enfield Let operates in a very similar way to this but most properties used as temporary accommodation are already leased to managing agents. Agents are therefore unwilling to transfer properties into Enfield Let as it reduces their profits.
117. The proposal is therefore to have a separate offer to managing agents. Properties would be leased to HGL, but the managing agent would retain the repairing obligation. HGL would be responsible for tenancy management and rent collection.
118. By transferring the repairing obligation to the managing agent, HLG would be able to offer a higher lease payment to the agent, making this a more

attractive offer, whilst still enabling Enfield Let to offer residents assured shorthold tenancies at Local Housing Allowance.

119. The offer would enable Enfield Let to procure at scale and be able to take on portfolios of properties from managing agents. However, the management fee paid to HGL would also increase as the number of properties within Enfield Let increases.

120. Enfield Let works best for both the Council and landlords where there is a direct relationship, without a managing agent. This proposal recognises that this will take time to achieve and that in the interim a more pragmatic approach is required to maximise the number of properties that can be made available to let.

Regeneration Voids

121. The Council is progressing large scale regeneration of its estates with development and works being carried out over the next 10 years. The approach taken to empty properties on estates during regeneration has been to lease these to a managing agent. The agent takes responsibility for internal repairs and maintenance whilst the Council retains responsibility for communal facilities and shared services. The Council has retained 100% nomination rights for the tenancies created.

122. This approach has worked well and has enabled the Council to secure these properties for homeless households. However, there are weaknesses in the approach:

- Coordination between Council services and the managing agent has proved problematic
- Lack of flexibility in determining tenure
- Properties with an expected lifetime of less than two years are not covered
- Loss of income for the Council due to managing agent charges

123. We are therefore proposing a change in approach to the management of voids created during the regeneration of Council estates. Properties will be classified as follows:

124. Properties with an expected lifespan of less than two years would be let as temporary accommodation. This would help to ease some of the pressures on sourcing emergency accommodation for households and would also reduce costs by reducing the need for expensive hotel and nightly paid accommodation. These properties would remain within the Housing Revenue Account (HRA) with management costs being recharged to the HRA.

125. Properties with an expected lifespan of between two and five years would be leased to Housing Gateway Ltd to be let through Enfield Let. These properties would be let as assured shorthold tenancies, with the Council retaining 100% nomination rights. Housing Gateway would lease the properties using the standard Enfield Let model. This element of the proposal is subject to Secretary of State approval.

126. Properties with an expected lifespan of over six years would be let as Council Housing tenancies. Tenants of these properties would be entitled to the same rights as existing tenants and would benefit from a new build property when they were required to move.
127. The proposals are designed to maximise the income to the Council whilst reducing the cost of providing temporary accommodation.

Private Rented Procurement

128. Over the last 12 months there has been a 62% decline in the number of privately rented properties available at Local Housing Allowance level. Approximately 25% of residents approaching us for assistance can afford properties at above the Local Housing Allowance.
129. To increase the supply of privately rented properties, we are now sourcing properties at above Local Housing Allowance within the borough.
130. There are still some properties available at Local Housing Allowance, but these are predominantly outside Enfield. We have therefore begun sourcing privately rented properties within an hour and a half travel of residents' work or school. This is a significant change to our approach as for the last few years the Council has only made in borough placements. However, with the changes in the wider housing market we are now unable to secure sufficient homes in the borough for households approaching us for help.

Brickfield House & Greenway House

131. There are developing plans to repurpose the temporary accommodation flats at Brickfield House and Greenway House. Both blocks are owned by Housing Gateway and used as long-term temporary accommodation.
132. Our plan is to begin using these blocks as emergency accommodation with support and services on site. The intention is to provide furnished accommodation. Residents needing emergency accommodation would be able to stay for up to eight weeks whilst they are supported to secure permanent housing in the private rented sector.
133. Staff will be based on site to ensure that residents have easy access to support and advice.
134. The approach is modelled on our existing Somewhere Safe to Stay Hub. This provides rapid assessment and resettlement services to street homeless individuals. The approach has proved highly successful and has been the cornerstone of our Street Homelessness services for the last two years.

Increasing the supply of homes

135. The shortage of both temporary accommodation and privately rented accommodation is unlikely to be resolved within the next year. This means that for the first time since the Housing Advisory Service was set up, we are now placing households, who agree to this, out of borough both for temporary

accommodation and as a permanent move. The Placement Policy was approved by Cabinet in July 2021 and this sets out the criteria we use for allocating the limited supply of properties. As a point of principle, we are not forcing a discharge of duty where the travel time to work or school is over 90 minutes. We are conscious that we will need to update the Placement Policy if the supply of homes continues to decline.

136. The extreme pressures on the service, caused by the lack of supply of privately rented homes, means that we are exploring other options to be able to secure permanent homes for residents. We are piloting several different approaches to moving households out of temporary accommodation.

Shared Ownership

137. There are 101 households currently living in temporary accommodation who are not on any form of benefit and are paying their rent from earnings. We are piloting a scheme to enable these households to purchase shared ownership properties. The costs of providing a deposit for shared ownership are similar to those that we would pay as an incentive to a private landlord but offers a more permanent and secure solution for these households.

Out of Borough privately rented

138. We are launching a new pilot programme with Beam. Beam have been working with the Council for two years now on moving homeless households into employment. The new pilot will see Beam work with 150 households in temporary accommodation to secure homes outside Enfield and to support them to establish themselves in a new community. Beam are currently working across the UK on employment and housing projects and have an established network that can be utilised. The pilot is a payment by results contract with 60% of the funding being dependent on households moving out of temporary accommodation. Relocation as part of the pilot is entirely voluntary and a significant amount the work will involve educating residents about what options may be available to them. The pilot will build on Beam's experience of working with Afghan refugees in hotels in the City of London.

Safeguarding Implications

139. Safeguarding is a key concern for the service. Bringing services in house ensures that we are able to manage the risks of working with vulnerable households more effectively.

Public Health Implications

140. 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.

Equalities Impact of the Proposal

141. An equalities impact assessment is attached at Appendix B

Environmental and Climate Change Considerations

142. N/A

Risks that may arise if the proposed decision and related work is not taken

Temporary accommodation rents

143. If temporary accommodation rents are not increased, the net deficit of providing temporary accommodation will increase by £958,000 pa. It will be harder to encourage residents to move on from temporary accommodation because of the difference in rent levels.

Regeneration properties leased to Housing Gateway

144. If properties are not leased to Housing Gateway it will result in these properties being used as temporary accommodation and reduce the supply of privately rented properties. This will increase the cost to the Council by £2500 per property.

Enfield Let offer to agents

145. If Enfield Let is unable to make a financially viable offer to managing agents, then this will reduce the supply of privately rented accommodation. Enfield Let is unlikely to reach the critical number of properties in management to sustain a viable business plan and there is a risk that the project will fail.

Increase in Homelessness

146. If the decision is made not to contribute Enfield Council funding to DHPs, then the funding will run out and the scheme will cease from November/December 22 to April 23. In April the 23/24 Government DHP allocation will be available. At the current cost per household, it is estimated that 690 households at threat of homelessness would not receive support if this additional £1.2m was not made available by the council, resulting in potential additional statutory homelessness costs of £862,500.

Risks that may arise if the proposed decision is taken and the actions that will be taken to manage these risks

Temporary accommodation rents

147. If temporary accommodation rents are increased, 101 households who are not on benefits will need to pay additional rent. We will work with the households affected to assist them to secure privately rented accommodation or to claim benefits depending on their individual circumstances.

148. Households on legacy benefits will largely have the rent increase covered by Housing Benefit. However, 182 households will become subject to the benefit cap. We will work with these households to secure employment to mitigate the impact of the benefit cap.

Regeneration properties leased to Housing Gateway

149. If properties are leased to Housing Gateway they will need to be maintained. Not all properties are capable of being brought back into use due

to their poor condition and the cost of bringing them up to a lettable standard. Each property will be evaluated to determine whether it should be kept as void, brought forwards for demolition, or brought back into use.

Enfield Let offer to agents

150. Property values are continuing to increase, and rents are also rising. The key risk is that the offer to managing agents ceases to be seen as good value by agents. This would mean that properties would not be transferred into Enfield Let. In this event the management fee would not increase, and it is likely that Enfield Let would cease to be financially viable. Under these circumstances we would either need to close Enfield Let or provide additional financial support.

Financial Implications

151. After the effects of Covid-19 were considered the TA budget position for 2021/22 was an overspend of C.£1.5m, and the DHP budget overspend was 396k. This was predominantly due to the Service not being able to reduce the number of families housed in TA as quickly as initially planned. Early indications point to a similar scenario for 2022/23 – there has been a drop in the number of families housed in TA in the first three months of the year but the speed of that drop combined with starting the year with a higher number of tenants than expected is likely to mean a further overspend which is currently estimated at C£1.75m, and £1.2m for DHPs. The current rate of inflation is likely to exacerbate this over the next few months primarily due to TA landlords and agents asking for higher prices for their accommodation (Enfield do not own any TA stock) and the regular breaching of the Pan London Agreement governing prices. At present there is a severe shortage of stock which the Authority is able to procure.

Temporary Accommodation Rents

152. The proposed rent increase will result in a higher level of income for the Council than remaining in the current subsidy rent regime. This is due to the Government switchover from legacy benefits to Universal Credit (UC). A switch to UC for anyone housed in temporary accommodation automatically triggers an entitlement to full Housing Benefit (HB) for the resident. This in turn increases the Council's HB Subsidy liability.

153. An increase to Local Housing Allowance (LHA) level rent for temporary accommodation clients will therefore allow the Council to claw back some of the increased subsidy payment through a higher level of income, whereas remaining at a static level of rental income will provide no offset whatsoever.

154. It was initially expected that increasing rents to LHA level would provide additional income to the Council, at least in the short term and this assumption forms part of the Council's latest Medium-Term Financial Plan. However due to the aforementioned switch from legacy benefits to UC this is now unrealistic.

155. The table below shows how the UC switchover would have affected the 2021/22 outturn position had it occurred last year and is based on 3,250 families which was the average number housed throughout the year.

	Gross Rental Income	HB Subsidy Payment	Net Rental Income	£ Projected Decrease in Net Income	% Projected Decrease in Net Income
Final Outturn 2021/22	-41,902	4,467	-37,435	-	-
If UC switchover had taken place with no rent increase	-41,902	6,282	-35,620	1,815	-5%
If UC switchover had taken place & LHA rent was charged	-50,557	14,260	-36,298	1,138	-3%

156. The next table demonstrates the impact of raising the rents to LHA level and the UC switchover across the next five years compared to the assumptions already built into the MTFP.

	2022-23	2023-24	2024-25	2025-26	2026-27
Projected Families in TA	2,685	2,255	1,825	1,395	965
Expected Benefit of Rent Increase in MTFP	-200	-200	-200	-200	-200
Updated Likely Impact of Rent Increase on MTFP	-3,575	-6,005	-4,860	-3,715	-2,570
Expected HB Subsidy Charge in MTFP	3,776	3,171	2,494	1,907	1,319
Increase in HB Subsidy Charge	4,002	6,723	5,513	4,214	2,915
Shortfall in Net Rent Compared to MTFP	627	918	853	699	545

157. The final table below shows the impact of the move to UC and how it affects the MTFP over the next 5 years without increasing the rents to partially offset the increased liabilities the Council will incur.

	2022-23	2023-24	2024-25	2025-26	2026-27
Projected Families in TA	2,685	2,255	1,825	1,395	965
Expected Benefit of Rent Increase in MTFP	-200	-200	-200	-200	-200
Updated Likely Impact of Rent Increase on MTFP	0	0	0	0	0
Expected HB Subsidy Charge in MTFP	3,776	3,171	2,494	1,907	1,319
Increase in HB Subsidy Charge	707	1,188	1,033	790	546
Shortfall in Net Rent Compared to MTFP	907	1,388	1,233	990	746

158. It is important to note that the TA portfolio is constantly changing and that the circumstances of the people within it also evolve. Therefore, these numbers should be taken as a guide rather than absolute. The figures are

based on a 100% rent collection rate. Additional funds would need to be set aside to cover an expected increased level of bad debt and it may also be prudent to set further funds aside to cover a potential rise in DHP claims from tenants on a higher rent particularly in the current economic climate.

Enfield Let Offer to Agents

159. An average property held in the temporary accommodation portfolio costs the Council £2,500 per annum to lease. This is the difference between the amount the Council must pay an agent/private landlord for use of the property and the amount of income currently expected from the tenant's rent payments. On top of this amount, the Council is also liable for the HB Subsidy liability for the majority of tenants housed in temporary accommodation who are entitled to HB.

160. A proposal under consideration to bulk transfer units from TA and into Housing Gateway (HGL) will release the Council from the lease cost deficit of £2,500 and from the HB Subsidy liability which for 2021/22 amounted to C.£4.5m across the whole portfolio (average 3,250 tenants). However, in order for this proposal to be viable for HGL the Council will be required to pay a management fee each year to HGL. This has been calculated at 10% of the rent roll for each property transferred.

161. In practise this will work as shown below.

Saving to the Council	-2,500	Net Loss (will no longer be applicable)
Saving to the Council	-1,385	Average HB subsidy (will no longer be applicable)
New Cost to the Council	1,914	HGL Management Fee
Net Saving	-1,971	

Regeneration Voids

162. Voids of 2 years or less remaining with the Council – in this scenario the HRA will repair the properties so they are of sufficient standard to be let. The HRA will be the beneficiary of all income due on the properties in the form of rent and all costs incurred for the allocation, management and maintenance of them. As the tenants within the properties will be part of the TA cohort, they will be managed by the Housing Advisory Service and the cost will be recharged to the HRA. The HRA will also be able to avoid the cost of security around the regeneration site and 200% Council Tax which is levied after a property has been empty for two years. The General Fund will benefit from the avoidance of the net loss mentioned previously (avg. £2,500 per unit).

163. Voids of over two years could be handled in the same manner as described above but the tenancies would be for a longer period of time. TA rents are significantly higher than the social rent charged by the HRA meaning there will be significant additional income for the HRA. However, in this scenario the tenants would still be subject to HB Subsidy, so it is not the most cost-efficient solution for the Council.

164. The other option for voids of over two years is to place them with a managing agent. The ideal scenario would be to place the units with HGL but owing to legislation around the HRA it may not be possible to do this with a wholly owned subsidiary. Permission is sought in this report to enable the Council to approach the Secretary of State requesting this authorisation. The alternative would be to charge an “affordable” rent for the units in which case it is not necessary to seek permission to transfer the units. The affordable rent option would mean the HRA receiving less income than they could otherwise obtain. For context, a 1 bedroom flat at an affordable rent is £168.34 per week compared to a 1 bedroom flat at LHA rent of £246.24 per week.

165. Should this approach be taken through HGL the HRA will benefit from the rental income and will ultimately absorb any repair and management costs. The GF will benefit from cost avoidance and the tenants will no longer be subject to HB Subsidy as they will be housed by a private company rather than in TA. The arrangement will be cost neutral for HGL.

Housing Revenue Account

166. This report is proposing to maximise the use of void properties on Council Housing estates awaiting regeneration.

The following options, depending on length on tenancies, are proposed:

- a. Properties with an expected lifespan of less than two years would be let as temporary accommodation:
 - i. these properties would remain within the HRA
 - ii. void works would be the responsibility of the HRA repairs team
 - iii. rental income would go directly go to the HRA
 - iv. a management charge would be paid to the GF from the HRA
 - v. Rents will be charged at Local Housing Allowance (LHA) rates
- b. Properties with an expected lifespan of between two and five years would be leased to Housing Gateway Ltd to be let through Enfield Let:
 - i. would be let as assured shorthold tenancies, with the Council retaining 100% nomination rights
 - ii. HGL would collect the rental income and then pass a proportion of the rent to the HRA (Income less management charge)
 - iii. Housing Gateway would lease the properties using the standard Enfield Let model
 - iv. Rents will be charged at Local Housing Allowance (LHA) rates
 - v. HGL would ensure vacant possession is achieved when the Council require the unit back for demolition
 - vi. This proposal is subject to Secretary of State approval.
- c. Properties with an expected lifespan of over six years would be let as Council Housing tenancies:
 - i. Tenants would be entitled to a new build property when they are required to move
 - ii. rental income would go directly go to the HRA

- iii. Rents will be charged based on the target rent for the individual property

167. As the properties on estate regeneration projects become void the HRA will be losing much needed rental income to support the HRA business plan. In many cases the properties due to their unlettable condition would remain empty until demolition, which in some cases will be up to seven years.

168. The table below provides a breakdown of how many void properties will be available and the financials per annum:

Proposal	Temporary Accommodation (0-2 years)	HGL (2-5 years)	Council Housing tenancies (6+ years)	Total per annum
%	30%	60%	10%	100%
No. of properties	3	6	1	10
Rental Income (average)	52,685	105,370	5,581	163,636
Council Tax saving	5,400	10,800	1,800	18,000
Management charge	Tbc	Tbc	tbc	

The options above will generate rental income and avoid additional council tax charges on these void properties.

169. It should be noted that there may be some instances where the cost of void works negates the viability of the project and therefore those units are likely to have to remain empty. This will mainly be for instances where we would only have use of the property for a short time frame before needing to return it

Private Rented Procurement

170. There are no direct financial implications resulting from this proposed policy change.

Brickfield and Greenway House

171. The proposed change of use for Brickfield and Greenway House should result in shorter stays in TA for tenants as they will have dedicated officers to work with them and enable their exit from TA as soon as is feasible. Brickfield House contains 124 flats and Greenway House has 83 flats. On the basis that each tenant stays in the accommodation for the full eight weeks and there are four weeks between each stay to enable void works to be carried out there should be four families per year in each unit resulting in over 800 moves out of TA per annum. This should reduce the number of tenants living in TA as well as the length of time each family is housed.

172. However, the success of this scheme is dependent on having somewhere in the PRS to move families on to. It is not expected that there will be any additional cost associated with this proposed change, existing staff will be

used to work with the tenants and although void works will need to be actioned more frequently the cost of those works should be minimal each time due to the shorter stays in accommodation.

173. This scheme has the potential to produce a saving to the Council, if 800 moves out of TA per annum occur and the number of incoming families stays reasonably consistent with March 2021's figure of 32 then the service can potentially reduce the number of TA properties by C.400 per annum, equivalent to a saving on the net loss of £1m. Significant reductions in TA (36 families per month) are already factored into the MTFP and therefore this figure will help to meet those targets in the current financial year. Should the scheme prove to be successful then it is possible budget savings could materialise in future years.

174. The table below shows how the schemes proposed in this paper can generate sufficient additional income and savings to negate the deficit in the rental income caused by the transition to UC of families in TA in 2022/23 and generate additional income in future years.

175. 2022/23 is based on a six-month period to reflect the timescale around when the schemes could be introduced.

000's	2022/23	2023/24	2024/25	2025/26	2026/27
Deficit Without Rent Increase	907	1388	1233	990	746
Rent Increase	-280	-470	-380	-291	-201
Brickfield and Greenway House	-500	-1000	-1000	-1000	-1000
Regeneration Voids	-12	-25	-25	-25	-25
Landlord Offer to Agents	-114	-228	-228	-228	-228
Total	1	-335	-400	-554	-708

Legal Implications

176. Section 32 of the Housing Act 1985 (the Act) provides that disposals of land held under Part II of the Act shall not be made without the consent of the Secretary of State. The Housing General Consents 2013 (the General Consent) provides a general consent for these purposes but in the situation where disposals are to be to a body in which the Council both owns an interest in that body and has a housing revenue account, the General Consent applies to the first 5 disposal in a financial year. The General Consent includes in the definition of 'Disposal' "the grant of a lease of any duration". Accordingly, it would be envisaged that in respect of the proposed leases to be granted to Housing Gateway Limited specific consent would need to be obtained from the Secretary of State. The Council should be mindful that the position applies to all Part II Housing Act disposals in a financial year and not simply those that are the subject of this report.

177. The Property Procedure Rules require that in such circumstances cabinet's prior approval to the application to SoS should be obtained. Note the PPRs apply to HRA assets "so far as is reasonable and practicable" – We see no reason to disapply the PPRs in this case.

178. Section 24 of the Act allows a local housing authority to make reasonable charges as it may determine for the tenancy or occupation of its houses. It must also review rents from time to time and make such charges either of rents or of particular rents, as circumstances may require.
179. Where a tenancy is let on a weekly or other periodic tenancy which is not a secure tenancy, the rent payable may be increased by giving written notice of the increase to the tenant of at least four weeks before the beginning of the rental period.
180. A local authority may only discharge its homelessness duties by securing that "suitable" accommodation is available for the applicant. Broadly, suitability involves the locality of the accommodation, affordability and, size. Accommodation must also be provided within the district of the authority "so far as reasonably practicable", Housing Act 1996. In addition, Section 11(2) of the Children Act 2004 requires local authorities to ensure that their functions are discharged having regard to the need to safeguard and promote the welfare of children. Case law has established that when a local authority is looking to accommodate homeless people out of borough, the lawfulness of that decision will depend upon the policies which the authority has adopted both for the procurement of temporary accommodation, together with any policies for its allocation and its duties under the Act. A local authority can accommodate people outside their district but on individual cases, the authority must demonstrate that there is no available suitable accommodation in borough and that the accommodation being offered out of borough is suitable.
181. The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.
182. Legal Services has been advised this report will be updated after submission to EMT prior to Cabinet in September 2022. Specific advice from legal services should be sought as to whether the Council's contract procedure rules apply including the Public Contract Regulations 2015 relating to:
- a. the management fee to be paid to Housing Gateway Ltd; or
 - b. if any of the other proposals contained within this report that require new contracts to be entered into or existing contracts to be varied.
183. In order to secure the legal advice, officers must fully brief legal services on the nature of contractual relationships or potential contractual relationships in question that are the subject of this report, including the values of each contract and their respective increases, such as the increase in the management fee.
184. Officers must be mindful of following the subsidy control rules which, broadly speaking are governed by a combination of the Trade and Co-operation Agreement entered into between the UK and the EU (the 'TCA'), other international agreements, the World Trade Organisation rules, and the

recently passed Subsidy Control Act 2022 ('the 2022 Act'). Much of the 2022 Act is not currently in force but is expected to come into force over the coming months to replace the subsidy control provisions contained within the TCA. Offices must therefore keep under review the requirements of the subsidy control rules and take legal advice at appropriate times to ensure that the council remains compliant in this changing area of law.

(Legal implications prepared by SR based on version 4.0 received 19 July 2022 and further legal impls added by SM on 02/09/22, by extending para 181, and adding paragraphs 182 & 183 above and impls added by ID on 02/09/22 (para 179))

Property Implications

- 185. HRA property implications: these are found throughout this report.
- 186. Corporate property implications: none.

Options Considered

Temporary accommodation rents

- 187. We have considered two other options for temporary accommodation rents:
 - a. Inflation based increase in line with Council Housing rents
- 188. This would mean that temporary accommodation rent levels would not equalise with Local Housing Allowance for several years. The barrier to moving out of TA would therefore remain. The financial benefit to the Council would also be minimal.
 - b. Staggered increase over three years to equalise rents with LHA
- 189. Temporary accommodation rent levels would not equalise with LHA for three years and so the barrier to moving out of TA would remain. The staggered increase would mean that the financial benefit to the Council would be very small until rents had equalised.

Regeneration properties leased to Housing Gateway

- 190. The two alternatives to leasing to Housing Gateway considered are:
 - a. Leasing to another provider. This is essentially what happens now. Our experience is that this results in gaps in the coordination of services, reduced income for the Council and concerns over the quality of service
 - b. Using the properties as temporary accommodation. This has the benefit of remaining within the Council's portfolio. However, costs are increased due to the gap the Housing Benefit claim and what the Council receives from government.

Enfield Let offer to agents

191. If Enfield Let is unable to make a financially viable offer to managing agents, then this will reduce the supply of privately rented accommodation. Enfield Let is unlikely to reach the critical number of properties in management to sustain a viable business plan and there is a risk that the project will fail.

Conclusions

192. Cabinet is requested to approve the proposals.

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Date of report 5th September 2022

Appendices

LHA rates

Equality Impact Assessment

Background Papers

The following documents have been relied on in the preparation of this report:

Cabinet Report – Homelessness in Enfield

Cabinet Report – Homelessness in Enfield (2)

Cabinet Report – Homelessness in Enfield (3)