

Housing Committee

This document contains the written evidence received by the London Assembly Housing Committee in response to its Call for Evidence, which formed part of its investigation into Temporary Accommodation. Calls for Evidence are open to anyone to respond to. The Call for Evidence was open from 8 September 2023 to 16 October 2023. The questions are set out on the following page.

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The Committee also received some follow up letters from organisations following its meeting in November 2023. These were:

23. [Letters from Capital Letters](#) (November and December 2023)
24. [Letter from Greater London Authority](#) (December 2023)

Please note that the formatting of some responses we received has been changed in order to create this collated version.

Questions asked by the Committee

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?
2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?
3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?
4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Barnet Homes

Barnet Homes' response to London Assembly's investigation into Temporary Accommodation in London

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Reasons for high demand in TA

The cost-of-living crisis, the reduced ability to prevent homelessness through a PRS offer, and the resumption of evictions from the private rented sector (PRS) post-Covid have led to a marked increase in demand for housing assistance across London. As Table 1 shows: in 2023, London-based local authorities are receiving increased presentations for housing assistance - compared to the same period in the previous year.

	Jan	Feb	Mar	Apr	May	Jun
2022	6,006	5,545	6,876	5,961	6,961	6,295
2023	6,507	5,592	8,141	6,519	7,805	7,689
% increase	+ 8.3%	+ 0.8%	+ 18.4%	+ 9.4%	+ 12.1%	+ 22.1%

Note: data source is London Councils' Temporary Accommodation & Homelessness Dashboard

Since Q3 22/23, Barnet has experienced a marked increase in applications for housing assistance. Table 2 shows that in the past 4 quarters, Barnet has received at least 42% more homelessness applications compared to the same period in the previous year.

Period	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24
Applications opened in period	542	535	729	825	882	925
% increase on same period 1 year earlier	+1%	+3%	+51%	+42%	+63%	+73%

Note: for example, 1% more applications were opened in Q1 22/23 than in Q1 21/22.

Currently, London-based local authorities have a reduced ability to procure suitable, affordable properties in the PRS for homeless applicants. The PRS market is shrinking, and key contributory factors include:

- The Local Housing Allowance (LHA) rates have been frozen since March 2020, amounting to 3 successive years of cuts in real terms.
- A reduction in affordable properties coming onto the market at LHA rates - with private landlords able to earn much more than the Local Housing Allowance rates by renting directly to private tenants. The supply of properties is so scarce that rental inflation is at the highest level that we have seen in more than 10 years.
- In Barnet, the majority of our housing applicants cannot afford to rent privately, because they cannot afford to pay the shortfall between the LHA and market rent. Many of these applicants are benefit capped.

Dysfunction in the PRS market means that London-based local authorities are less able to prevent homelessness through a suitable, affordable offer of PRS accommodation. In Barnet, a 27% reduction in prevention outcomes in 22/23 compared to the previous year shows that our borough is affected by these challenges.

Noting the reduced ability to procure affordable PRS accommodation and to prevent homelessness, the increased demand for housing assistance is leading to significantly increased demand for TA.

How demand for TA is changing

London Councils’ Temporary Accommodation & Homelessness Dashboard shows that the PRS market for TA is shrinking. Table 3 provides data from Jan-Jun 2023, compared with the same period in 2022.

Table 3: Use of PRS accommodation as a form of TA, Jan-Jun 2023 vs the same period in 2022						
	Jan	Feb	Mar	Apr	May	Jun
2022	27,123	26,325	29,027	27,724	28,278	25,622
2023	26,302	25,722	28,683	27,087	27,990	25,700
% change	- 3.0%	- 2.3%	- 1.2%	- 2.4%	- 1.0%	- 0.3%
Note: data source is London Councils’ Temporary Accommodation & Homelessness Dashboard						

With the contraction in the PRS market, London-based local authorities must place more households into expensive B&B accommodation - including commercial hotels which may lack cooking facilities. Table 4 shows that across London, the use of B&B has increased for 6 successive months in 2023 – compared to the same period the previous year.

Table 4: Use of B&B accommodation (incl. commercial hotels), Jan-Jun 2023 vs the same period in 2022						
	Jan	Feb	Mar	Apr	May	Jun
2022	5,209	5,133	4,439	4,258	4,345	4,347
2023	7,146	7,144	6,740	6,891	7,185	7,328
% change	+ 37%	+ 39%	+ 52%	+ 62%	+ 65%	+ 69%
Note: data source is London Councils’ Temporary Accommodation & Homelessness Dashboard						

Increased placements into expensive forms of TA places Council budgets under immense pressure. Due to this issue, many boroughs forecast significant shortfalls from 23/24 onwards - running into millions of pounds.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Location of TA

The shortage of affordable supply of TA in Barnet means that we must procure accommodation outside of the borough of Barnet. At end of September 2023, 42% of TA properties that were used by Barnet Homes¹ to accommodate housing applicants were located out of borough, and 6% of total placements were out of London. Placements outside of Barnet may be located far away from support networks, jobs and schools – and this produces increased challenges on our TA residents.

Residents’ experience of living in TA

¹ Barnet Homes is the arms-length management organisation (ALMO) that delivers statutory homelessness services on behalf of Barnet Council.

In 2023, the homelessness charity Shelter conducted a research project which focused on residents' experience of living in TA. Shelter surveyed 1,112 TA residents – of which 159 (14%) were Barnet tenants. Focusing on the overall results: while a third of surveyed households in TA do work, 11% of respondents say they stopped working altogether due to their placement in TA. Of those still in work, more than a quarter (27%) had to reduce their working hours. If tenants are unemployed or work less than 16 hours per week, they may be affected by the Benefit Cap. In most instances, if an applicant in Benefit Capped when they open a housing application, then they will be placed into TA due to affordability reasons. It is also difficult to move Benefit Capped tenants out of TA for the same reason.

In addition, 57% of Shelter's total respondents say it is harder to access their support networks. This has a major impact for people who rely on family for childcare - especially when children are unwell. 1/3 of total respondents face no or limited access to the internet – which make it much harder to work remotely or to search for employment. It can also be difficult for children to study at home if the TA lacks a desk or a quiet space.

Shortage of larger properties

Across London, there is a marked shortage of supply of larger TA units; we expect that London-based local authorities will continue to face this shortage. Since Q4 21/22, Barnet Homes made more than 6 times as many placements into hotels, rooms and studios than into TA properties that are 1-bedroom or larger. As a result, many families are placed into hotels or bed & breakfast accommodation until more suitable properties become available. In Q1 23/24, Housing Options made 238 hotel bookings due to a lack of alternative supply; this is a 71% increase on the 139 hotel bookings made in Q1 22/23.

Hotel placements

As these results show, Barnet must make increasing use of hotels when no other accommodation is available. Placement in hotels outside of the borough impacts affects a range of cohorts – including households who receive support from Family Services and households with disabilities, who may be moved away from their support networks. Additionally, while the majority of Care Leavers are accommodated within the borough, in emergency situations – they may be offered accommodation outside of Barnet with a view to return to Barnet when suitable accommodation becomes available.

Vulnerable cohort of residents

There is wider concern that in Barnet, we are assisting increasingly vulnerable homelessness applicants with complex needs. Whilst we place them in TA, pursuant to the homelessness duties, they lack a formal support package – and therefore do not receive the support that they may need. This is resulting in more ASB in TA and physical damage to properties with the council being liable for the costs TA providers are refusing to provide accommodation to some individuals where they are known to have caused ASB/damage previously or with other providers.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Programmes to increase supply

Barnet has worked with the GLA to increase the supply of affordable homes through the Right to Buy Back (RTBB) Programme and through the Rough Sleeper Accommodation Programme (RSAP). Through these programmes, Barnet has delivered 60 properties and 50 properties respectively – leading to reduced demand for TA. These programmes are positive. It would be beneficial for the

GLA and similar bodies to launch additional programmes, and for these programmes to be targeted to general needs clients rather than to rough sleepers.

The Pan-London rates

From 2014, the Pan-London Inter-Borough Accommodation Agreement (IBAA) produced a set of agreed Pan-London rates – to determine a fixed amount that boroughs would pay to TA providers.

The Pan-London initiative IBAA is not effective at increasing the supply of good quality TA & reducing the number of out of borough placements. IBAA was designed to keep prices low. Due to dysfunction in the market & competition between boroughs, many boroughs must routinely breach the PAN-London IBAA rate.

It is clear that the rates are set at a low level to discourage procurement within other boroughs. It is rarely possible to procure TA in Barnet at the Pan-London rates – and we understand that the same problem is faced across the North London sub-region. In practice, boroughs often breach the agreed rates because they must procure properties to meet demand, and noting the Code of Guidance's stipulation that households should not be placed in hotel accommodation for more than 6 weeks.

Although an agreement was reached to increase the Pan-London rates by 10%, this measure is insufficient. To retain their stock of TA, local authorities must still breach the Pan-London rates. We note that TA providers routinely request payments of 20-30% higher than the agreed rates.

Setting the Standard

Setting the Standard's inspection of HMOs produces a small positive impact. These inspections discourage the use of very poor standard properties. Where Setting the Standard identify a Grade E property, Barnet ensures that no tenants reside in these properties until the issues are resolved leading to an increased grade.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Our over-riding principle is that funding the procurement or build of additional homes costs less than homelessness. Moreover, these homes should be set at (or close to) Social Rent levels. In contrast, Affordable Rent is usually only affordable for households who are working, and is rarely affordable for households on benefits. It is rarely possible to move a household out of TA into a property let at an Affordable Rent level.

To address the issues in the TA & PRS markets, it would be beneficial for government bodies to do the following:

1. Provide funding for the following purposes:

- Create a grant programme to enable Councils and registered providers (RPs) to buy unsold new build properties on the open market – both for sale and shared ownership - from developers or RPs at Social Rent levels.
- Fund the acquisition/leasing of void street properties, void new build bulk properties and void properties eligible for buy backs.

- Granting fixed term leases with the option for the local authorities to purchase the properties at the end of the term.
- Provide additional funding for social rented New Build, to help alleviate the strain on housing supply.
- Fund the conversion of TA into social rented accommodation (where units have been developed as TA).

2. Create an expedited planning route for modular meanwhile housing

An expedited, modified planning route for modular meanwhile housing on long-term vacant sites could lead to the development of additional TA units. However, we note the need for modular housing to be connected to facilities.

3. Increase the Local Housing Allowance (LHA) rates

Currently, it is not possible to procure sufficient family-sized TA in London without local authorities incurring significant losses. Due largely to the cap on the Local Housing Allowance (LHA) rate, larger TA units are not seen as attractive proposition for private landlords. There is no 5-bed LHA rate, and the 4-bed LHA rate is capped at £500 per week. In comparison, rent levels for a 4-bed property can be far in excess of £500 per week. Therefore, to procure these units as TA, local authorities would incur significant losses.

Increasing the LHA rates so that they are more in line with market rent would help local authorities to compete in the market – if the level of increase incentivises landlords to remain in the sector.

4. Adjust the Benefit Cap

Adjusting the Benefit Cap to factor in the number of children within the household would enable larger households to afford more properties. This would reduce the demand on the most expensive forms of TA from larger households.

5. Improving the pathway for asylum seekers

It would be beneficial for stakeholders to adopt a more joined-up approach to the assessment of asylum seekers who reside in hotels. This cohort is unlikely to be job-ready, and is likely to not have priority need for housing assistance. Following the decision on an asylum application, a pathway into accommodation with access to help and support with employment would reduce the pressure on TA, and reduce the risk of asylum seekers becoming rough sleepers.

Enfield Council

ENFIELD
Council



LONDON ASSEMBLY HOUSING COMMITTEE – TEMPORARY ACCOMMODATION ISSUES IN ENFIELD

I am pleased to provide evidence on this matter which represents one of the biggest challenges the Council is currently facing. Set out below are answers to the questions you have posed.

What are the reasons for the high demand for TA in London and how has demand changed over recent years?

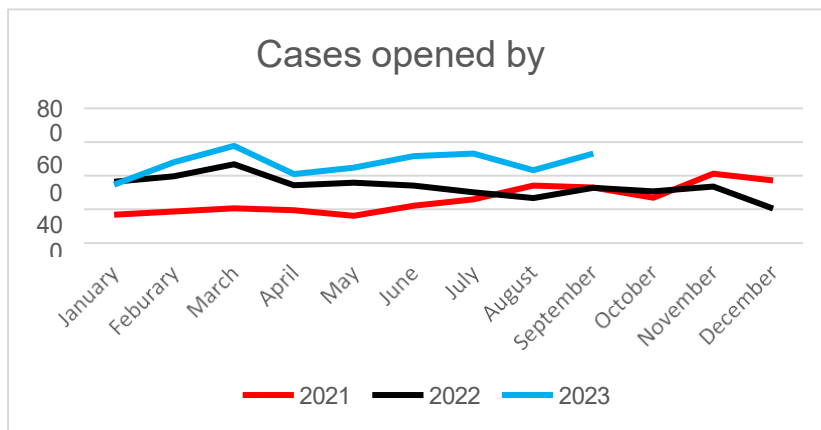


Figure 1 – data from Enfield's JIGSAW system October 2023

1. We can see that over the past few years that the Council has been dealing with more people coming to us seeking assistance. This is consistent with the experience of other London Boroughs, with around 30% increase on the same period the previous year across London.

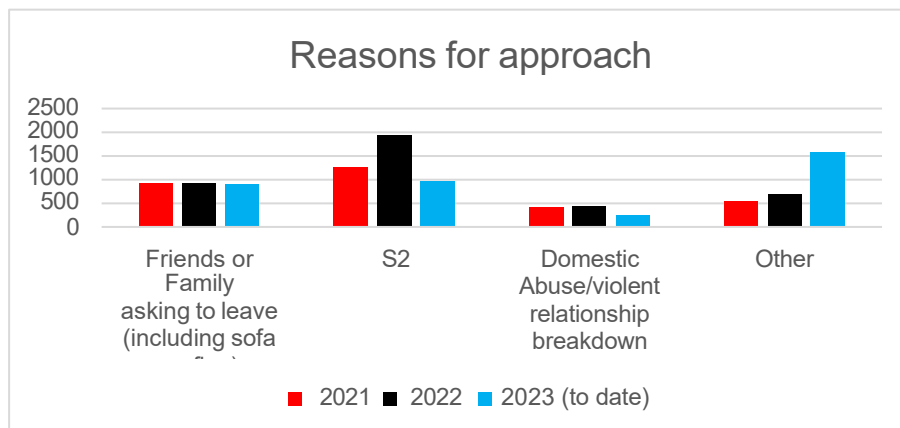


Figure 2 – data from Enfield's JIGSAW system October 2023

2. The reasons for the approaches are also changing; with increasing numbers of applications where affordability of accommodation is a key factor; around 30% of our “other” approaches being related to affordability or rent arrears. This is a move away from Section 21 notices being the major driver for seeking assistance, although we are still locally seeing extremely large numbers of possession claims being lodged in the Courts, with Enfield having the second highest number of claims filed in Q2 of 2023 in London. This is particularly acute for residents of Enfield – we have the 5th highest level of benefit claimants in the country.
3. Although not large compared to some other Local Authorities, 18% of our “other” category is in relation to Afghan/Ukrainian/Sudanese and other asylum cases. Some of these households are relatively large compared to the average household that we may deal with, meaning that there is a need to secure accommodation of an appropriate size. However, some of these households are above the four-bedroom limit that exists under the Local Housing Allowance rules (the largest household we have on our waiting list requires an 8-bedroom property under our Allocations policy). It is unrealistic for a family this large to reside in a four-bedroom property meaning that there is no practical way for the duty owed to be discharged. We are, additionally, being advised that we are starting to see single rough sleepers whose NASS accommodation has ended via our partnership agencies. Whilst potentially supported via other means, a consideration needs to be given to what these additional cases will mean in terms of resourcing, particularly bearing in mind the natural draw that there is to London, bearing in mind the international support networks available here that may not be replicated in other parts of the country.²

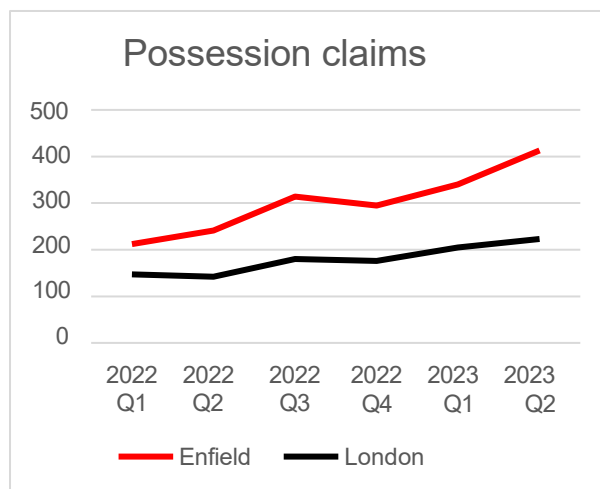


Figure 3 – figures from Ministry of Justice October 2023

4. We are also seeing the “bounce back” in terms of evictions following the end of the ban on evictions during Covid; with many landlords looking to leave the market.

² <https://www.bbc.co.uk/news/uk-england-london-60953284>

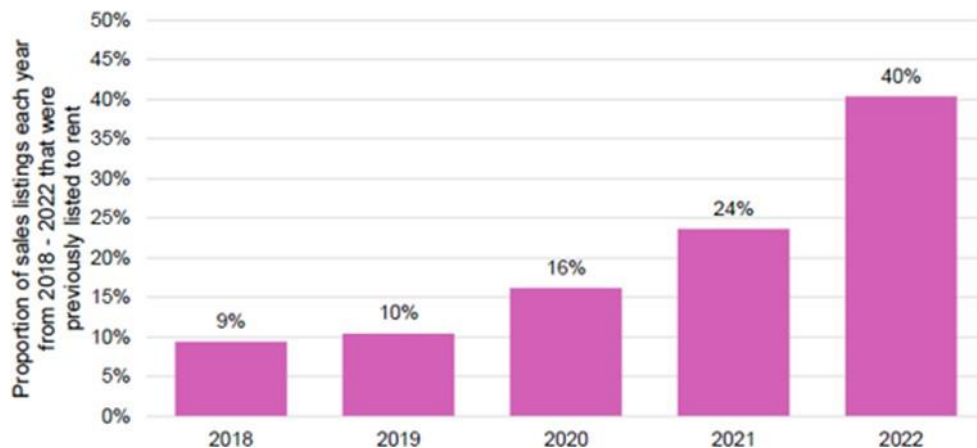


Figure 4 – data from Zoopla

- Landlords who may have had properties coming empty due to other factors deciding to sell up, buoyed by the rapidly rising house prices, particularly locally and the certainty on a return on investment. Increasing number of articles in the press and landlord forums debate the benefits and cons of exiting the market.³⁴
- Google analytics has recorded a 250% increase in searches for “zoopla house prices” in the past seven days alone.

Area	Average Price: All Property categories		
	Jan 2022	Jan 2023	% increase
Enfield	£432,462	£463,926	7.3%
London	£517,229	£533,986	3.2%
England	£290,016	£310,159	6.9%

Figure 5 – data from UK house price index

What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

- The complete collapse in the supply of affordable options (especially for those reliant on properties at the Local Housing Allowance rate) means that move on options for clients in TA are extremely limited. This situation is worsened by the lack of supply, with the supply of properties around 40% lower than pre-pandemic levels. Obviously, the simple laws of supply and demand indicate that any product that is in limited supply as against demand will mean that it can result in pricing based on scarcity. A household looking to rent a property locally will find themselves paying £454 a month above the LHA rate to secure a two-bedroom home. This makes this high impossible for a household reliant on benefits.

³ <https://www.landlordzone.co.uk/news/should-landlords-sell-their-buy-to-let-properties-in-2023>

⁴ <https://www.pettyson.co.uk/about-us/our-blog/435-landlords-sell-buy-to-let-property>

Enfield area - Currently advertised monthly rents (31st August 23): highest, lowest, plus median average and LHA rate, by property size

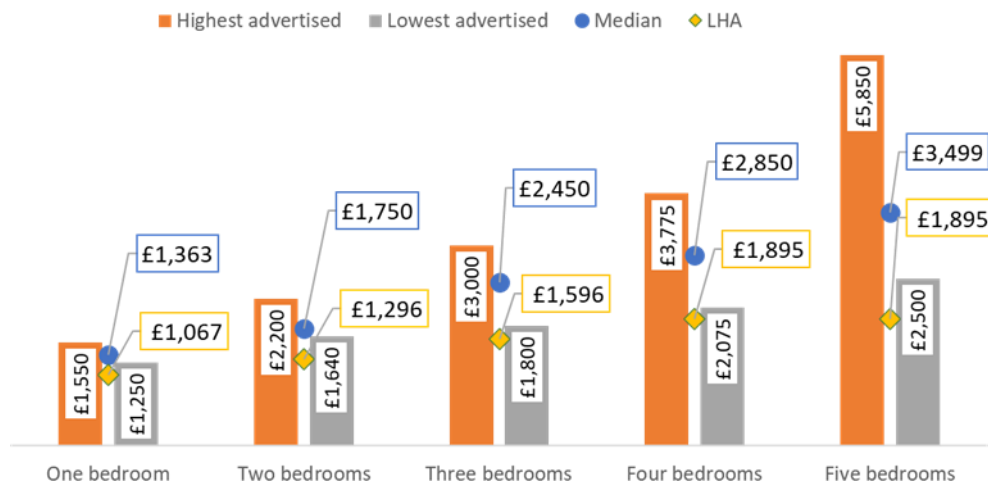


Figure 6 – figures from [home.co.uk](https://www.home.co.uk)

Enfield's advertised property rents at 31 August 2023, plus comparison with Enfield's ONS survey rents (March 23) and current Enfield LHA rate (23-24)

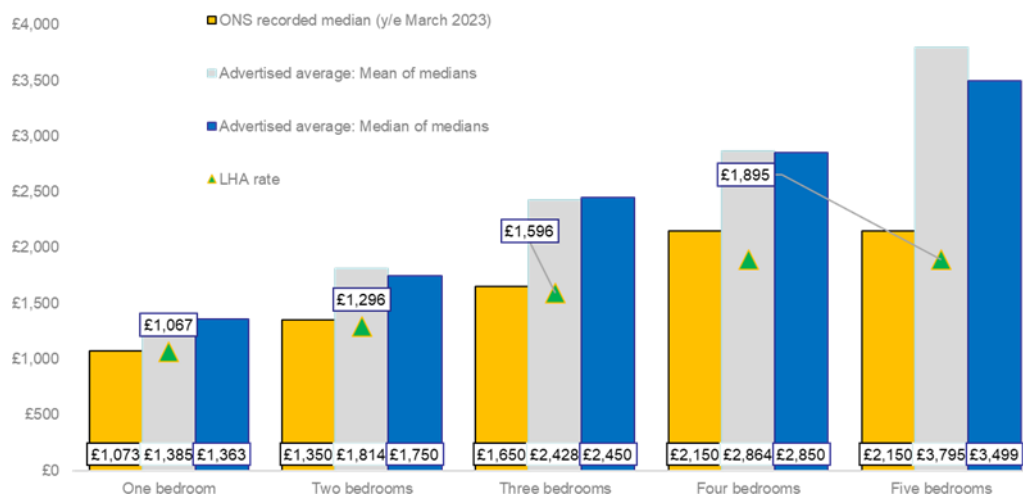


Figure 7 – ONS data

- This has also limited the options available to London Boroughs; making it increasingly difficult to procure accommodation in the market, leaving increasing reliance on B&B and in particular hotel provision. Enfield Council now has over 170 households in this form of B&B for in excess of 6 weeks. This is an unprecedented situation in Enfield and whilst it has utilised high levels of temporary accommodation in the past this form of accommodation is unsuitable for residents, is very expensive and it is also more difficult to manage operationally with the need for residents to move rooms within 28 days.
- No London borough wants to be in this situation, however, there is little option in the current market – there are other costs and risks associated with this; recently we have had issues around school attendance highlighted by our education services, which means that there are additional ancillary costs related to the provision of B&B type accommodation that is not captured as part of the data on hotel costs issued by the Borough.

4. The practical challenges of a household residing in a hotel, especially where they will not necessarily know how long they will be there or where they will be moved to is having an impact on households. A consistent theme of complaints and enquiries is the stresses that these households are under due to this. There are many studies that indicate the notable impact that this can have and that there may be costs arising from this in the future.⁵⁶⁷
5. The huge increase in possession claims (figure 3) means that we are potentially preparing for this not to be the peak of the number of applicants approaching us for assistance.

How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

1. Enfield has been a historic net importer of applicants, with other Local Authorities securing accommodation within our area due to the relatively cheaper rented stock. This has, obviously, meant that our ability to access stock in our local area has been affected. As such, we are now in a situation where we are forced to alter our placement policy to look nationally in order to meet the demand and to help residents secure and maintain more affordable accommodation.
2. In this new and unprecedented context, we believe that the statutory environment needs to take account of these pressures. It serves no purpose to the Taxpayer to make judgements on Councils that result in further compensation payments in the face of pressures they cannot reasonably respond to.



Figure 8 – PAP letters received by Enfield Council re: Housing 2023

3. 43% of pre-action protocol letters dealt with by Enfield in relation to Housing related issues have accommodation as their core focus, with a large portion of these specific to hotel use.
4. Pan London initiatives, such as agreements on rates, have previously been beneficial, however, with the increased pressure on local authorities, the quantity and amount involved of breaches of this agreement have increased. However,

⁵ <https://www.health.org.uk/evidence-hub/housing/housing-stability-and-security/trends-in-emergency-temporary-accommodation>

⁶ <https://www.mind.org.uk/information-support/guides-to-support-and-services/housing/your-housing-rights/>

⁷ https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/sick_and_tired_-_the_impact_of_temporary_accommodation_on_the_health_of_homeless_families

this is entirely understandable, bearing in mind the levels of pressure on the individual authorities, however, it is then a factor that further exacerbates the high market pricing. Whilst Enfield has retained a relatively low rate of breaches compared to neighbouring authorities, a point is now being reached where breaching the agreed rates will actually be less expensive than keeping applicants in other accommodation; particularly when potential costs around Judicial Reviews and fines from the Local Government and Social Care Ombudsman are taken into account.

5. The Council will be bidding for GLA funding through the forthcoming the Right to Buy- Back initiative and welcomes funding being applied to obsolete housing. However, the scale of the current challenge means that far greater levels of funding are necessary to have a meaningful impact.

What more can the London Mayor, Central Government, Local Authorities, and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

1. Enfield supports the response by London Councils which is calling on the government to urgently take steps to restore LHA rates to the lower 30% of the market and to provide additional capital funding for the acquisition of homes to enable Boroughs to discharge their housing duties.
2. There is a need for targeted additional funding via the Homelessness Prevention Grant to address the significant net deficit arising from the use of hotels due to the absence of alternative private rented accommodation. This should be based on the financial position of the Council. Enfield is the 7th most underfunded Council relative to its need and is Council is forecasting a significant budget pressure this year arising from the number of households in hotel accommodation and the length of time they have been in residence. All Councils in London operate homelessness services with a net deficit because of the cap on rental income recoverable through HB and the fact that Homelessness Prevention Grant is does not reflect this. Homelessness has now become one of the major cost pressures in Councils and ability to absorb these costs is different for each Borough.
3. Support is required to enable the Council to accelerate its housing delivery programme with practical levers that will accelerate housing delivery over the medium to long term to ensure a more resilient housing market especially as a Borough with relatively low levels of social housing.
4. Appropriate incentivisation for landlords to rent properties to households put forward by the Local Authority outside of simply depleting the prevention budget. This may be in relation to how tax is paid on such properties to encourage more community minded landlords.
5. Improved consideration of the impact that wider policies (procurement of accommodation by the Home Office or Ministry of Justice) have on local rental markets and appropriate co-ordination with Local Authorities where consideration is being given for such schemes. Additionally, ensuring that other government organisations are not allowed to pay rates higher than the Local Authority in which the accommodation is located and are obliged to ensure that any accommodation they provide follows the same standards that are used by the Boroughs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G Savva', with a long horizontal stroke extending to the right.

Cllr George Savva MBE
Cabinet Member for Social
Housing Haselbury Ward
Councillor

Hackney Council

The London Assembly Housing Committee

Call for Evidence: Temporary Accommodation October 2023

What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Hackney is in the midst of an affordable housing crisis, a crisis that is repeated across the capital; the issue of housing affordability is particularly severe in Hackney, where house prices and private rents are amongst the highest in London and the country and it is a top concern for local residents. As average incomes in the borough are relatively low, many households on moderate incomes are unable to take a first step on to the housing ladder within the borough. The sad reality is that more and more Hackney residents are finding themselves homeless or at risk of homelessness.

The worsening situation across the capital is being reflected in data gathered by London Councils, both in terms of rising demand and also the increased difficulty in procuring and retaining suitable temporary accommodation. As a result London boroughs are seeing increased use of bed and breakfast accommodation and an increase of the level of spend on homelessness.

Properties in Hackney had an overall average price of £719,087 over the last year – nineteen times the average local household income. The majority of sales in Hackney during the last year were flats, selling for an average price of £575,046. Terraced properties sold for an average of £1,162,297, with semi-detached properties fetching £1,439,508 (data from rightmove.co.uk). This represents an cost increase of over 400% over the last 20 years.

With the possibility of buying a home out of reach, the need for alternative affordable housing options for our residents has never been more acute. Although Hackney is building more new social housing, this alone cannot match the escalating scale of demand. With many unable to afford to buy and with 8,500 households currently on the council's social housing waiting list, with limited prospects of access to social housing in the borough, the only alternative option is the Private Rented Sector.

Hackney's Private Rented Sector now provides approximately 34,406 homes in the borough. The increased demand has driven up rental values with market rents in Hackney increasing by 49% since 2010, at an average of £2,102pcm. For those households that need a larger property, the average rent for a four-bed property is £3,549pcm and for smaller households, £1,712pcm is the average rent for a 1-bed property.

Hackney's Private Rented Sector now houses 133% more people than it did in 2001 and accounts for 32% of all homes. But for those on lower incomes, affordability is a significant barrier. For years Local Housing Allowance (LHA), which supports low-income families in private sector housing, has not kept pace with actual market rents. This means that very few, if any, available properties in Hackney are now

affordable to people on LHA without either living in accommodation in which they will be overcrowded or by diverting a significant proportion of their income to cover the rent and falling into debt in other areas.

In this landscape, more and more households are approaching the Council for assistance. We have seen a significant increase in Hackney residents approaching the service with some level of housing need and/or who are facing potential homelessness. In 2022/23, over 4,085 residents approached the Council seeking help to source alternative accommodation. This represents an increase of 18% on 2018/19, following the introduction of the Homeless Reduction Act. The number of approaches in 2022/23 were up by 14% on the previous year, as a consequence of the lifting of the Covid 19 temporary relief measures and the cost of living crisis.

The largest proportion of households accepted were previously living in accommodation provided by families and friends. This indicates that overcrowding remains a significant issue within Hackney, but also demonstrates that increasing economic pressures means that households are less able or less willing to provide accommodation for family members. Increased utility bills, food costs etc are a significant concern, while accessing social activities (which can help diminish family tensions) are also less affordable.

A further significant factor is the rise in households evicted from assured shorthold tenancies within the private sector. Our data shows that 54% of those being made homeless due to the end of a private let were as a consequence of the landlord intending to sell or relet the property, while 25% of households were evicted on the grounds of rent arrears/affordability. This reflects the robust property market within the borough and the greater returns that can be achieved in different markets.

We can expect the number of approaches to continue to increase at around 8% per year, with 5,100 households approaching the service by 2027-28; the equivalent of an average 400+ new households in need each month. Over this period we have also seen a change in balance between approaches from single households and those from families.

The proportion of households approaching the service with additional support needs is also increasing. Many of those approaching have complex medical or intersecting support needs, related to their mental health, drug/alcohol misuse, or traumatic life history. They are on the 'Edge of Care', at risk of exclusion from homelessness services but are not eligible for statutory funding or support from statutory services. It is support for this cohort that the need is most acute, particularly culturally appropriate and/or gender specific support. At present, clients are placed in accommodation where they become stuck, unable to manage the placement.

Recent analysis of the approaches made by single homeless clients show that 2 in 5 have support needs and 1 in 5 have multiple and complex support needs. Using this data, in 2022/2023 Hackney saw 1038 single people who had support needs and 519 with multiple support needs.

In our assessments we have also identified that African Caribbean and Dual Heritage (ACHD) men have particular issues with the systemic, cultural, economic and political

barriers to successful reintegration after release from custody, discharge from prisons, secure health settings or a spell of homelessness or rough sleeping.

What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Hackney currently has around 3,100 households who are living in temporary accommodation provided by the Council. This is one of the highest populations of people in TA in London and includes 3726 children; enough to fill 9 primary schools. Currently the Council spends £12.5m per year on delivering temporary accommodation; TA provides much needed shelter for people who are experiencing homelessness, but does not provide a settled home.

Living in TA can have significant negative impacts on a household's health and wellbeing, as shown in the report that was recently published by Shelter: Still Living in Limbo. As highlighted in the report:

“Temporary accommodation was never intended to exist outside of emergencies. But it’s now accommodating almost 100,000 households, including over 125,000 children. And its use is on the rise. The number of households living in temporary accommodation has doubled in the last ten years. Temporary accommodation is often far from a temporary arrangement. The majority of households live there for a year or more.”

Spending extended time living in temporary accommodation can also have specific negative health impacts, as identified in a report commissioned by the North East London Integrated Care Board which highlights:

“The chances of a household living in temporary accommodation in London is much higher than elsewhere in England. 59% of all English households in temporary accommodation are in London: this represents 56,000 households including 75,850 children – of which 17,582 households are in NEL, with 22,468 children including 2,624 under 5s. This is not because of the decisions councils make but because of London’s high housing costs and shortages, and because the benefit people receive do not reflect these costs. The health impacts of this are well reported and include poor facilities (such as shared kitchens and bathrooms, lack of laundry facilities on site, lack of internet connection), small rooms (often with all family members sharing one room, which creates a cramped living environment and no places for children to do homework etc), properties in disrepair and other factors such as inability to continue stable education and employment which have a significant impact on the physical, mental and emotional health of those living in these settings.”

We recognise that living in temporary accommodation is disruptive and unsettling to residents and their families, and while we work with them to help find a suitable settled placement, we also look to provide additional support to mitigate the challenges they face.

Isolation can be a particular concern and we encourage all our residents to speak regularly with officers not just about their housing options but also other support they

might need. While we often cannot provide a direct solution, we will signpost or actively engage with other services and organisations that we work with and could help. One example of this is Engage Hackney (<https://hackney.gov.uk/support-for-adults>) the all tenure floating support service with an overarching objective of homelessness prevention and reduction. We have been working closely with NHS partners on how we can improve access to NHS services through outreach / inreach work and developing community hubs.

For households with children, living in temporary accommodation presents unique challenges, and we look to offer additional support to them, for example, we work with CARIS Families, a grassroots charity that runs support services for homeless children and their parents living in hostels in the London Boroughs of Camden and Hackney. They run an after-school club at Royal Park Hostel, offering play and arts and crafts activities to resident children. They also run a Homework Club offering one-to-one academic help and mentoring to school-age residents. We also support the Hackney Playbus, which is a small charity dedicated to bringing play opportunities and support to families who need it the most. They visit our hostels to deliver play sessions that provide a variety of resources and activities that support children's early learning and development in all areas of the Early Years Foundation Stage.

With the rise in the proportion of TA residents with complex and multiple support needs, a more holistic approach to working with TA residents is needed. Homelessness teams in London are largely not equipped to support the increasing number of residents approaching with multiple and complex needs and themselves need additional guidance. In Hackney, the Benefits and Housing Needs Service have access to specialist officers including embedded social workers.

The impact on health and access to services are likely to be least detrimental when they are placed in Hackney and moves are kept to a minimum. However, the lack of suitable supply does mean a significant proportion of people are moved to other boroughs sometimes a long way from Hackney.

As a Council we are also committed to ensuring that the quality of the temporary accommodation we provide is of a good standard, that residents are supported to access all the services they need (including health services) and that residents are supported to find settled accommodation. It remains the case, however, that the housing market in Hackney, the scarcity of affordable housing in the borough, and growing needs make meeting this commitment extremely challenging to fulfil.

Our hostel managers, caretakers and temporary accommodation officers play a key role in monitoring and maintaining health and safety standards within our portfolio. Residents in temporary accommodation offered by the Council can expect the property to meet Decent Homes Standards, but we understand that issues may arise, for example problems with damp and mould. We are also partners of the Setting the Standard programme, a pan-London service which works to ensure that Bed & Breakfasts and Studio flats used by local authorities for nightly paid temporary accommodation meet a decent level of quality and management standards.

Residents approaching the service have taken different journeys to the point where they

have fallen into a housing crisis. Our ethos is not just to address the immediate housing needs, but to support them in tackling the drivers that led them into crisis. This will help ensure that when they have a settled solution, they can sustain it.

For the Council, the biggest challenge we currently face is providing an adequate supply of temporary accommodation. Most of the households within our TA provision are placed in the Council's own stock of temporary accommodation hostels, or units leased by the Council from both private and registered social landlords. However, as highlighted, this stock level is insufficient to meet the level of demand and diversity of need, and whilst we make best use of our current temporary accommodation portfolio, including utilising voids in council stock and acquisition of new properties to increase our in-house stock, the Council is increasingly required to also purchase nightly let accommodation for emergency/interim provision.

In a highly competitive market, the sourcing of other temporary accommodation is extremely challenging, based on spot purchase of nightly accommodation and subject to the prevailing market and the willingness of external providers to offer properties to the Council. Particularly with regard to accommodation that is suitable for clients needing support to maintain a tenancy.

When entering into a lease with a landlord (or agency) the Council is restricted in the level of rental return it can offer. When placing a household into temporary accommodation, the rent charged to the tenant must be affordable to them. Local authorities in most instances will set TA rents at or around the level of financial support for housing available through the welfare benefits scheme; nominally the rate of Local Housing Allowance (LHA). However, LHA rates are appreciably below the actual market rent levels. So when entering into an arrangement with the landlord the council has to be prudent in agreeing what they will pay to the landlord. The council can (and often does) choose to top up the rental income from the tenant so that the landlord gets a greater return than just the benefit rate, but if the rent charged to the council is significantly more than the rent charged to the tenant the top up required could be considerable which is unsustainable.

Increasing the Housing Benefit temporary accommodation subsidy rate from the 2011 Local Housing Allowance (LHA) to reflect the reality of the local market, will allow the Council to procure a wider range of temporary accommodation, and will also make the potential for developing new purpose built accommodation more financially viable.

With landlords achieving a greater return in the wider rental market, committing a property to the council for an extended period is no longer financially attractive. Those that do choose to remain in the TA market are seeking greater returns by offering properties under short term/nightly let arrangements. Others are disengaging completely from the council, either with a view to let commercially or, given both the high value of property and increasing interest rates, opting to sell.

Within the last quarter we have had a worrying and increasing number of units that have been requested back from the Council by managing agents (c 150), putting increasing pressure on our ability to provide an appropriate response and resulting in a growing

number of residents in need of temporary accommodation being placed outside of the borough (and increasingly well outside of London).

Over half our TA stock consists of single studio and one bed units. While there has been no reduction in the need for this size accommodation, the need for family sized units is rising. This is particularly true for larger family sized units and those that have been adapted to meet the needs of disabled households and those needing wheelchair accessible accommodation.

While we would always seek to place a household in a suitable TA property, this is not always immediately deliverable, especially for larger households and those with disabled household members who require wheelchair accessible and/or adapted housing. Even within the short term/nightly let property market, these types of properties are at a premium. Supply is limited and competition fierce. Often a suitable unit is just not available at the point of approach and the only solution is a sub-optimal placement while we try to source viable alternatives.

For these households, they face the prospect of further disruption of moving again when a more suitable property becomes available. The Council is frequently required to source accommodation outside of London and often the offer of a new placement will generate other concerns (eg. the new offer will meet the accommodation needs of the household but may well be out of borough, raising issues around schooling, access to support networks etc).

The challenges of growing demand and reducing supply also have a significant cost impact on the Council. Expenditure on temporary accommodation has been steadily increasing, although this trend was interrupted for 2021/22 as a consequence of the wider impact of the covid emergency and concerted efforts by the service to increase preventative measures and manage costs.

Importantly, we have seen net costs rising faster than gross expenditure, as a consequence of the need for more short term accommodation, which is more expensive. As we are unable to charge higher rents for this type of accommodation the gap between actual costs and revenue is growing. London Councils estimates that the capital's 32 boroughs on average collectively spend around £60m per month on temporary accommodation, and projected **net** expenditure for 2023/24 will exceed £152m. In Hackney we estimate net costs to increase by over 152%.

How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Hackney always seeks to actively participate in any pan London and subregional initiatives that will increase the availability and supply of suitable temporary accommodation. Recognising that this is a pan-London issue, the London Housing Directors group and the Society of London Treasurers have established a Temporary Accommodation Working Group.

We are an active member of the Capital Letters scheme that looks to prevent families becoming homeless by assisting them into good quality privately rented homes and to

find move on accommodation for those families in temporary accommodation, freeing up stock.

We are also partners of the Setting the Standard programme, a pan-London service which works to ensure that Bed & Breakfasts and Studio flats used by local authorities for nightly paid temporary accommodation meet a decent level of quality and management standards. This shared service provides a central inspections team, ensuring that accommodation receives a high-quality inspection on at least an annual basis.

Through London Councils, there is a London wide agreement on maximum incentive rates currently in place between boroughs to prevent price escalation, developed within the Inter-Borough Accommodation Agreement (IBAA) Framework. However, breaches of this agreement are not uncommon due the intense pressure on boroughs to source accommodation at very short notice. Discussion is already taking place on these protocols and there is recognition amongst London Councils that the Pan London rate needs to increase.

We also recognise and welcome the new initiatives that have been put in place by central Government, such as the Single Homelessness Accommodation Programme, changes to section 106 agreements and the existing Community Infrastructure Levy (CIL), the new Housing Loss Prevention Advice Service (HLPAS), and the Local Authority Housing Fund. We have been able to use these to deliver important elements of our homelessness prevention and support work.

However, while these initiatives are welcomed, they have not had any significant impact on the delivery of additional temporary accommodation. Much of the housing crisis has been driven by issues that the Council cannot control; such as central Government policies on austerity measures, house building, rent controls, welfare reforms, brexit, immigration and the economy. The Council is committed to increasing the stock of housing available, including examining options both within Hackney and further afield. The main challenge for us has been lack of accommodation and the capital investment required as well as the revenue funding to support residents. Such systemic issues require a response that draws together key partners and programmes that work in partnership to a shared goal, rather than piecemeal approaches that sometimes work against a common purpose.

What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

The temporary accommodation crisis is acute and immediate, requiring urgent action. It is also important to recognise that, while there is a need to expand the stock of temporary accommodation in general, the most acute need is for larger family sized provision and for both adapted accommodation suitable for residents with disablement needs and supported accommodation for those with complex needs.

This requires multiple stakeholders to work holistically on a shared vision. The government, both central and regional, has dedicated significant funding to tackling

homelessness and the supply of temporary accommodation, but the funding streams are too short term and disjointed to effect sustainable long term change. A coordinated response from across government is required, not least the DLUHC, the DWP and the NHS, rather than working in silos as is currently prevalent.

While the focus of this investigation is addressing the crisis in the provision of Temporary Accommodation, any sustainable solution must include consideration of increasing the stock of genuinely affordable housing in London.

There are three key levers needed to help us tackle this situation.

1. Acting to reduce the causes of homelessness and rising demand for temporary accommodation

This means addressing the issue of affordability in the capital. The Local Housing Allowance (LHA) has fallen well behind local rents in Hackney. In 2023 the average monthly rent for a two bedroom home is c £2,600 and the maximum housing benefit for the same property is £1,585. This leaves our poorest residents unable to afford to rent in the borough and many facing eviction and approaching the Council at risk of homelessness.

Government can make a radical impact to tackle this by:

- Restoring the alignment of LHA with the 30th percentile of local rents and unfreezing the link so that LHA doesn't fall relative to fluctuations in the local market (which is vital in ensuring that LHA does not fall further behind rental inflation). There is broad consensus across the housing and homelessness support sector in favour of this vital change, including voices such as Crisis, the Select Committee on Levelling Up, Housing and Communities and the National Residential Landlords Association.
- Increasing the Benefit Cap level, or at least exempting temporary accommodation from the overall benefit cap, so that families who are not able to access employment can live while the Council works with them to support them into employment without the Council being hit by a large unfunded cost pressure.
- Look to implement measures to protect tenants; the Council has long pushed for support for tenants and landlords that provide greater stability and affordability for the borough's growing number of private renters, through its #BetterRenting campaign.

2. Slowing the rising costs of accommodation and protecting the supply of temporary accommodation

In the same way that housing is becoming increasingly unaffordable for our residents, market conditions are making it ever more difficult for the Council to source suitable temporary accommodation for our homeless residents.

This has partly been exacerbated by direct procurement competition from central Government departments, resulting in a damaged and skewed market in the borough leaving rents in this area c 24% higher than previously. For example, the Home Office are procuring the same properties that the Council are targeting at much higher rates, to be used for moving asylum seekers out of hotel accommodation. We believe that Government can help mitigate these pressures by:

- Ending the wasteful competition between central and local government that has contributed to driving up costs.
- Increasing the Housing Benefit temporary accommodation subsidy rate from the 2011 Local Housing Allowance (LHA) to reflect the reality of the local market, which will allow the Council to procure a wider range of temporary accommodation.

3. Building on the success of the Local Authority Housing Fund 2 and other targeted funding that Government has provided to power further local delivery that will help us tackle the crisis of homelessness

The recent Local Authority Housing Fund 2 fund was extremely welcome and we were pleased at the simplicity of the bidding process. We understand, however, that it was massively oversubscribed and the nature of one-off funding with short spending timescales makes it harder to deliver a strategic response. Our ask is for funding that can help us scale up our strategic response, plan for the medium term and match the scale of the growing challenges we face. We would welcome the opportunity to share our modelling of likely future demand to help inform your planning.

Harrow Council

Response to the London Assembly Housing Committee Call for Evidence on Temporary Accommodation

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Private Rented Sector (PRS) landlords are leaving the rental market due to reduced or negative returns on their property investments, as well as uncertainty around the Renters Reform Bill, and this has resulted in an increase in homeless presentations due to PRS landlords evicting their tenants and therefore increasing the need for temporary accommodation. In the last 12 months between 1 Oct 2022 to 30 Sep 2023 we received 510 applications due to tenants being evicted by a private landlord, while in the previous 12 months between 1 Oct 2021 to Sep 2022 we received 325 applications due to tenants being evicted by a private landlord. PRS landlords who are choosing to remain in the market are likely to move away from TA provision due to the high demand and rent levels they can achieve on the open rental market.

External factors, such as the resettlement of refugees from Afghanistan and Ukraine, have also been a factor in the increased approaches and applications, however to date this has transitioned into a relatively small demand for temporary accommodation in the London Borough of Harrow as extensive prevention negotiations with households in schemes such as Homes for Ukraine to enable applicants to find PRS without the need for temporary accommodation provision has limited the impact. There is also competition for accommodation within the PRS market between councils procuring homelessness accommodation and the Home Office procuring asylum accommodation.

Our Temporary Allocation Policy outlines which homeless households have a priority to be accommodated in the limited local temporary accommodation provision in Harrow or nearby rather than further outside of London. However, there has been a significant increase in challenges from households who believe that they have a priority to remain locally due to an employment, educational or health need.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Homeless households are currently more likely to be placed in accommodation with shared facilities, and homeless families are likely to spend longer in accommodation with shared facilities than is permitted or appropriate. Homeless households are more likely to be offered accommodation outside of London. Across London a significant increased number of children now live in temporary accommodation.

Some households may seek help very late in the eviction process, which impacts on the opportunity to prevent homelessness. In Harrow we work in partnership with a range of agencies through our Homelessness Reduction Board and we encourage households at risk of homelessness to seek help early. Key messages on homelessness prevention are delivered through resources such as posters and leaflets and through outreach housing advice sessions in the community.

Clients in TA in London find it difficult to identify suitable affordable housing options. Harrow has a small social housing stock so for most homeless households PRS accommodation is the main solution. Many PRS landlords ask for a guarantor, as well as deposit and rent in advance, and many are reluctant to let to households who claim Universal Credit or Housing Benefit. The manner in which some applicants present may also make landlords cautious, particularly if they have noticeable support needs (e.g. mental health) and the landlord is not confident that support will be provided for tenancy sustainment and that the rent will be paid. Homeless households are reluctant to consider housing options outside of London, even though there are often more options in both the PRS and in social housing and they are more likely to be able to source a home with amenities such as parking and a garden.

The main challenge for the Housing Needs service is finding suitable self-contained accommodation for households, especially for larger families. Households are placed initially into shared provision due to limited supply, and this has led to an increase in the usage of commercial hotels. As the ability to procure temporary accommodation has become difficult due to the current crisis and basic supply and demand factors, much of the provision that we are able to procure is towards the lower end of the market which in turn has generated an increase in enquiries and complaints from customers. In order to address the issue of quality and standard of accommodation, we are planning to implement more nightly let accommodation inspections however this is an operational challenge when most accommodation is now procured outside of London.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

We participate in a range of West London and Pan London initiatives. We are members of Capital Letters. We work with a range of other partners such as Beam. However most initiatives are impacted by the current market conditions.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

In Harrow, we have launched a marketing campaign across a range of media platforms to recruit PRS landlords who are interested in working with the council to provide accommodation to homeless families (as PSL or PRSOs). See <https://help2let.co.uk/>

Housing affordability would be improved if Local Housing Allowance (LHA) rates were restored to cover at least the lower 30% of market rents, and if the Housing Benefit subsidy rates for TA could be raised to match the equivalent LHA rates for general needs accommodation. Monthly rent for the average 3 bedroom home in Harrow has increased from £1750 per month to £2500 per month in the last 18 months which is 42.8% increase. With LHA rates static at £1550 since April 2021 this means a £950 per month shortfall that the tenant must find, between the rent charged and the maximum amount of support available for housing costs through Housing Benefit or Universal Credit. This has made local PRS accommodation unaffordable for lower income households, increasing the number of lower income households placed into temporary accommodation.

Homelessness Prevention Grant funding could be increased further and the approach to homelessness funding could be reviewed to better reflect needs and pressures. A national strategy for homelessness and temporary accommodation could be developed to address homelessness, settled accommodation and temporary accommodation.

Increasing the supply of housing is also vital, through enabling councils to build more social housing and providing capital investment to allow councils to purchase homes (such as homes being sold by PRS landlords exiting the market and homes previously sold under the Right To Buy). We are actively working with partners to bring forward the supply of affordable housing locally, as well as to deliver housing regeneration. However, as also seen across the rest of London, this is challenging given the wider economic climate and viability of housing schemes. Additional grant would be welcome, and we would support the need for greater flexibility around its use to bring forward housing.

With regards to the Pan London Agreement on Inter Borough Accommodation, procuring accommodation is challenging due to the increase of market value since 2011 and landlords and accommodation providers demanding rates that are more in line with 2023 private market rents levels. It has also affected the ability to obtain accommodation through private leasing schemes. In July 2022, London Borough of Harrow had 516 section 193 private sector leased properties procured for allocation, in July 2023, the numbers has decreased to 479, which is a 7.2% decrease on the availability of the resource.

Islington Council

LB Islington – Call for Evidence: Temporary Accommodation

Housing Committee

1. What are the reasons for the high demand for TA in London (Islington) and how has demand changed over recent years?

Response: Homelessness in Islington has a number of causes, but is primarily a consequence of the housing crisis, cost of living crisis, legislative changes, domestic abuse, and mental health/ substance misuse.

London is in the midst of a severe housing affordability crisis at a time when the financial pressures on low-income Londoners have never been greater. The use of temporary accommodation across England for homeless households is now at the highest level since records started. Homelessness in Islington is particularly acute where rents are higher compared to wages.

The number of households owed a prevention or relief duty was up 15.2% in the year to April 23 across London. In Islington, the number of individuals in Temporary Accommodation (TA) rose by 31% in financial year 22/23. Islington Council now have 199 additional homeless households living in Temporary Accommodation than this time in 2022. The local and national picture are increasingly difficult for the homeless: nationally the cost-of-living crisis is impacting on residents, private sector rents are rising in Inner London by 18.5% (based on inner-London rental values March 2022 to March 2023).

The number of private rented sector properties available for use as TA in London to rent has fallen in London by 42% (April 2022 to April 2023). The consequence of this is that rents are rising across London to record heights, further exacerbating the homelessness crisis.

There are no Private Rented Sector properties available in Islington below or at the Local Housing Allowance rate and therefore, people on average incomes or claiming welfare benefits are unable to rent privately and as a consequence, the council is unable to prevent homelessness into the Private Rented Sector.

Private Rented Sector evictions have increased by 75% over the last 12 months.

The Home Office evictions from hotels now has the potential to increase homelessness by 40% in Islington as the Home Office are evicting people granted status to remain in the country with a seven-day notice. This is now increasing pressure on our services with 21 people either presenting as homeless to the service or sleeping rough in Islington over the last 7 days due to these evictions.

It is clear the Homelessness Prevention Grant provided by the DLUH&C to Islington Council is inadequate and additional funding with a new matrix to calculate the distribution of the grant required recognizing the acute cost and human pressures across London.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Response: The bulk of homelessness financial demands fall on Housing Needs. There are four primary financial drivers for homelessness:

- **The costs of temporary accommodation (TA)** – each individual or family placed in TA costs the Council on average £4,349.08 (net actual cost per average case length). The costs vary depending on the size and the property and the family filling it. The cost is the net difference between the charge for the property and the charge to those entering into TA. The rent charged to those in TA is housing benefit, sequestered at source, and based on the Local Housing Allowance (LHA)*. The LHA rate has not been updated since 2011 while rents have been continually increasing, widening the gap that must be covered by the Council. Although, the Council takes measures as part of the Pan-London purchasing frameworks (Inter Borough Temporary Accommodation Agreement**) to set prices - as homelessness case numbers rise, the Council is forced to increasingly find spot purchases at higher rates, increasing rents paid compared to rents received. The impact of the number of TA cases rising is that we spend more in total on TA, but also more on TA per night as we increasingly must use expensive spot purchases. The total cost of TA is the principal driver for costs in the Housing Needs division.
- **Bad debt/arrears** – Although rents are charged to homeless individuals in TA at the LHA rate, this does not mean the Council does not generate arrears or bad debt. As the Council charges tenants for rent based on the LHA rate, some tenants do not qualify or apply for the full amount of housing benefit. It typically follows that as homelessness case numbers rise, then the number of cases in arrears rises.
- **Cost of providing homelessness advice** – there are a number of statutory prevention roles required by the Council, in particular providing housing advice and personal housing plans. This requires a variety of teams to provide the service, placing a high cost on the service with limited room for efficiencies.
- **Prevention** – Like most Councils, Islington spends money on landlord incentives/rent deposits. These incentives are amounts paid to private sector landlords to take on homelessness cases – allowing the service to discharge its housing duty. As demand has risen for properties, landlords have increased the amount of prevention funding they require.

It is now recognised the cost pressures placed on council's due to increasing homelessness is resulting in council's considering issuing Section 114 notices effectively meaning the council is unable to meet its financial commitments. Both Hastings Council and Bracknell Forest Council are in the process of issuing section 114 notices due to rising homelessness pressures.

The cost pressures combined with the average overspend across London for homelessness services being over £5 million for each council this financial year requires urgent attention from Central Government.

The cost of temporary accommodation for homeless families is unaffordable due to the benefit caps imposed by central Government. A new approach from a resident affordability and council financial management is required and Islington Council would be in a position to work with the GLA and the DLUH&C to help to design a new framework.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Response:

There has been moderate success in accessing Housing Moves and the Seaside and Country Homes schemes.

There has been a low level of success in accessing appropriate housing options via the Pan London Reciprocal scheme.

Rough sleeping services commissioned by the Mayor eg.Chain, Streetlink, NSNO are welcome initiatives, and we believe these are working well for Islington.

Our view is that the Mayor should consider the following:

- Reviewing the management of the IBAA rate to enable LA to adhere more closely to the rates.
- Simplification of the grant's application process
- Greater co-ordination of collaboration opportunities for boroughs to work collectively.
- Improved publicity and greater clarity about the Mayors and GLA's functions in relation to housing.

Islington Council has been successful in accessing funding to address rough sleeping, homelessness temporary accommodation provision, and accommodation as part of our humanitarian work for people from Ukraine and Afghanistan. However, we would encourage the GLA and the DLUH&C to provide additional funding to address homelessness through the purchasing of Ex Right to Buy properties and to increase the Grant percentage for Inner London Council's due to the High costs of purchasing these properties compared to other parts of London.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Response:

- Relooking at empty homes
- Reviewing the LHA rate paid to councils.
- Ending rental caps
- Ending Section 21 notices
- Ending right to buy schemes.

- Ending Land Banking or penalties for developers if they land bank beyond a certain time frame.
- Greater long-term certainty over grant funding and increased grant funding - e.g., Homeless Prevention Grant
- Removing the 20% threshold for selective licensing which would improve the quality of housing.
- Building more housing
- Introducing rent increase caps in the Private Rented Sector following approval from Central Government
- Increasing the grant percentages for the purchase of Ex Right to Buy properties for Central London Council's
- Supporting the control of Exempt Accommodation through the Bob Blackman MP Private Members Bill Supported Housing (Regulatory Oversight) Act 2023
- Ensuring the new Regulator of Social Housing Consumer Regulation also covers homelessness services and the provision of temporary accommodation.
- Make private renting affordable regulate in-tenancy rent increases to protect tenants from being forced out by an unexpected rent hike, unfreeze local housing allowance to cover at least the cheapest third of rents, so people can afford a home, abolish the household benefit cap which limits the total amount of benefits that households can receive, to tackle homelessness.
- Work with Central Government to Raise the standard of rented homes It is vital that everyone has a safe place to call home, through the better management, tough regulation and enforcement of standards for rented homes will protect people's health, safety and wellbeing. To stop people's homes harming their health.
- Improve housing rights and help to enforce them as not everyone at risk of street homelessness has a legal right to emergency accommodation. Stronger and clearer housing rights are integral to tackling homelessness and people need access to advice, advocacy and support to enforce their rights. To make housing rights a reality, the next government must:
 - • introduce a legal right to suitable emergency accommodation and adequate support for everyone at risk of street homelessness
 - • restore legal aid for help with housing problems (such as disrepair)
 - • invest in accessible support services (such as Supporting People and Housing First) to prevent homelessness.

Lambeth Council

LB LAMBETH – Call for Evidence (Temporary Accommodation)

Housing Committee

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

At the end of March 2023 there were **3,827** households in temporary accommodation in Lambeth. This figure stood at **2,102** in March 2019; an increase of over 50% in a few years.

Factors driving occupation increase include:

The number of households assessed as owed a homeless relief duty by Lambeth council has steadily increased over the years.

(Part of this relief duty includes providing temporary accommodation-60% of households assessed as owed a relief duty required temporary accommodation in 2022/23 as compared to 48% of households in the previous year)

The main reasons for this increase in households owed a relief duty include a 35% increase in households homeless due to the ending of an assured shorthold tenancy, an 11% increase in family/friends no longer able or willing to accommodate, a five- fold increase in households homeless following hospital discharge, an 80% increase in households homeless due to non-racially motivated violence /other violence or harassment.

More households are coming into temporary accommodation than are leaving.

New placement demand for temporary accommodation increased by 26% in 2022/23 as compared to the previous year.

More households were placed in temporary accommodation January to March 2023 (285) than the combined number of lettings (260) made in 2022/23 to households in temporary accommodation)

Number of TA placements in 2022/23 went up by 25% from previous year with a negligible change in the number of discharges and permanent lettings for households in temporary accommodation.

At the end of March 2023 around 79% of all households in temporary accommodation were waiting to successfully bid for permanent homes, over 90% were in medium priority rehousing Band C with little prospect of social housing for at least 5-7 years.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

There is a lack of suitable and affordable temporary accommodation. TA is placing a huge financial burden on local authorities in London which is unsustainable.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

There is an agreement between LAs on the rates that they will pay for private sector placements, the Inter-borough Temporary Accommodation Agreement (IBAA). Due to a lack of suitable accommodation this is increasingly being breached. In Q4 2021/22 the IBAA rates were breached in 13% of relevant bookings. This had increased to 55% in Q4 2022/23. The IBAA rates have been recently increased by 10% to better reflect current market conditions, however concerns remain about the level of breaches.

For non-family accommodation there is quality control via “Setting the Standard”. Setting the Standard is a pan-London programme to ensure Bed & Breakfasts and Studio flats used by local authorities for nightly paid temporary accommodation meet a decent level of quality and management standards. There is a central inspections team, which ensures that accommodation receives a high-quality inspection on at least an annual basis. Inspections records are shared with the host borough and to the private sector service / environmental health to take action.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Properly fund TA so boroughs are not facing such a massive shortfall. In the longer term significantly increasing the supply of social rented housing.

London Councils

Call for Evidence Response

London Assembly Investigation into Temporary Accommodation in London

London Councils represents London's 32 borough councils and the City of London. It is a cross party organisation that works on behalf of all its member authorities regardless of political persuasion.

Introduction

- London Councils welcomes the opportunity to respond to the London Assembly's investigation into Temporary Accommodation (TA) in London. This investigation comes at a time when London is facing an unprecedented rise in homelessness and a crisis in the procurement and supply of TA. This has created a perfect storm, which, if it continues on its current trajectory, threatens a worsening situation for Londoners, as well as the viability of borough homelessness and accommodation services, which may become unable to continue to provide the necessary accommodation for homeless households.
- The underlying driving force is an unprecedented escalation in London's severe housing affordability crisis. This comes at a time when the financial pressures on low-income Londoners have never been greater. Homelessness acceptances are rising while the availability of TA is shrinking. The problem has been made worse by rising rents, benefit shortfalls, the acute shortage of affordable housing and a collapse in the supply of Private Rented Sector (PRS) properties. The lack of sufficient cooperation from other public sector agencies and government-appointed contractors when procuring accommodation, most notably the Home Office, has made the situation more challenging. This has undermined carefully developed cooperation between London local government that has created better value for money for taxpayers and sought to raise standards within the sector.
- While there is a national homelessness crisis, there is no doubt that it is most severe in London. The number of homeless households living in TA nationally is at record levels,

with the official statistics showing 60,040 households living in TA in March 2023, accounting for 57% England's total TA numbers (104,510 households). Because of the severe lack of affordable accommodation for boroughs to relieve their homelessness duties, homeless households in London have an average stay in TA five times longer than elsewhere in the country.

- However due to the time lag these official statistics are significantly out of date and do not accurately reflect current pressures. As such, London Councils has started a regular data collection exercise, seeking to provide more up to date evidence of the pressures faced by boroughs. Unless otherwise specified the data used in this response is drawn from this London homelessness and TA dashboard. Based on this data we believe there were **64,487 households living in TA arranged by a London borough in June 2023**. As such we estimate that there are 172,180 homelessness Londoners living in TA, including 84,216 children.
- To summarise:
 - The financial pressures facing Londoners have led to a rapid escalation in the capital's homelessness crisis, with councils finding it increasingly challenging to manage housing need.
 - London Councils estimate that **1 in 50 Londoners are homeless, including 1 in 23 children**.
 - Compared to pre-COVID-19 levels, new PRS lettings have reduced significantly (by 41%) and rents have increased by 20%. New lettings affordable within Local Housing Allowance (LHA) levels are increasingly rare (covering just 2.3% of new letting in London in 2022/23).
 - Councils have seen a significant increase in the number of residents who are owed a homelessness duty.
 - Councils are increasingly unable to procure or even retain suitable TA or PRS properties for discharging their homelessness duty. This has caused a surge in households living in bed and breakfast (B&B) accommodation – including for longer than six weeks.
 - Homelessness pressures are putting council finances under increasing strain.
 - The current trajectory is unsustainable and a nationally significant problem, meaning urgent government action is required.

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

1.1 London is in the midst of a severe housing affordability crisis at a time when the financial pressures on low-income Londoners have never been greater. Homelessness acceptances are rising while the availability of TA is shrinking. The problem has been made worse by rising rents, benefit shortfalls, the acute shortage of affordable housing and a sharp reduction in the supply of both PRS properties and TA.

1.2 Following the end of the eviction ban in May 2021, combined with the growing impact of the cost-of-living crisis placing lower-income Londoners under increasing financial strain, boroughs have experienced a sustained upward trajectory in demand for homelessness services. For example, the number of homelessness presentations to London boroughs in June 2023, the most recent month for which we have data, was 7,698, a 22% increase on the same month a year prior. The same month saw a 12.7% increase in the number of prevention and relief duties accepted by London boroughs, taking the number of acceptances to 5,540.

1.3 Figure 1 below shows the number of homelessness presentations for the 24 boroughs for whom we have received comparable data for the ten months from September 2021 to June 2022, compared with September 2022 to June 2023. While there is a seasonal variation in homelessness approaches from month to month, meaning it is more meaningful to measure change against the same month a year prior, the clear trend is that for every month in which we have data the demand for homelessness services have seen a significant increase on the previous year.

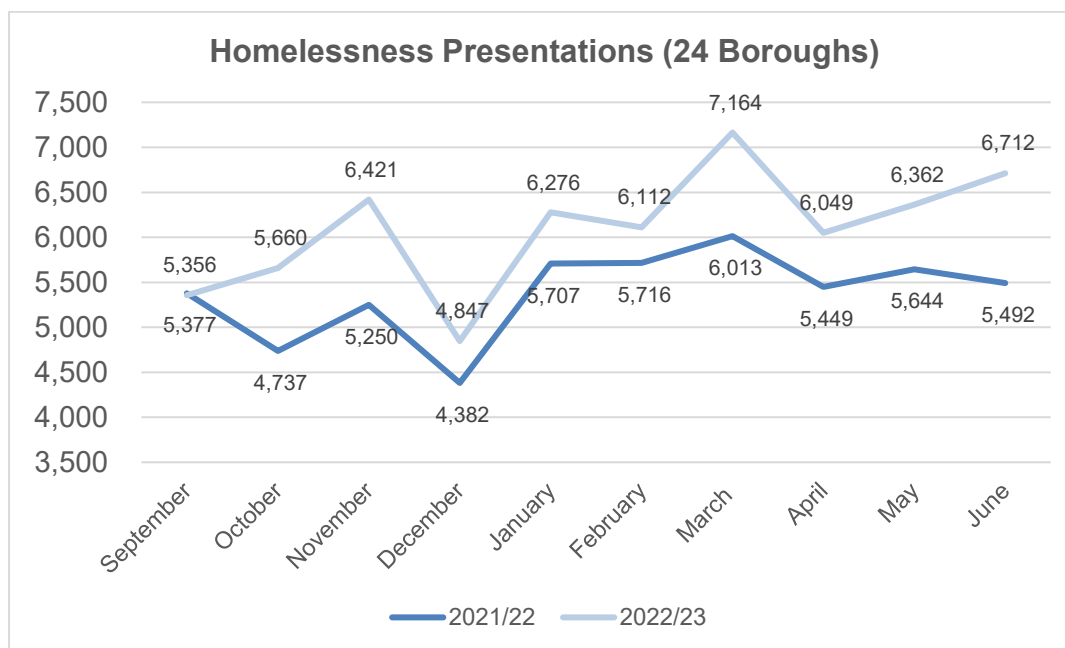


Figure 1: Homelessness Presentations

1.4 A key factor driving London’s increasing homelessness pressures is the rise in PRS rents, with research by Savills and the London School of Economics finding that asking rents in London are 20% above their pre-Covid level. Weakness in new supply coming to the market indicates that further rental growth is likely in the short term, meaning there is no sign of the current pressures abating. While Local Housing Allowance (LHA) rates remain frozen, this has had the impact of reducing the number of properties affordable to low-income households reliant on benefits and increasing the shortfall between housing support and rental costs, increasing the risk of homelessness.

1.5 LHA sets the maximum amount of support a benefit claimant can receive through either Universal Credit or Housing Benefit to help pay their rent if they have a private landlord, and the level of these payments has been frozen since April 2020. Restrictions in LHA rates impact on homelessness in two main ways: they place households who do not receive sufficient support to cover their rent at risk of homelessness; and they limit the ability of local authorities to prevent homelessness and secure affordable accommodation for currently homeless households.

1.6 The same Savills research found that only 2.3% of London listings on Rightmove were affordable in 2022-23 to those needing LHA to help pay their rent – falling from 18.9% in 2020-21. This has resulted in lower-income Londoners only being able to access a small fraction of the market, with many completely unable to secure affordable properties. This has also highly limited London boroughs’ ability to prevent and relieve homelessness.

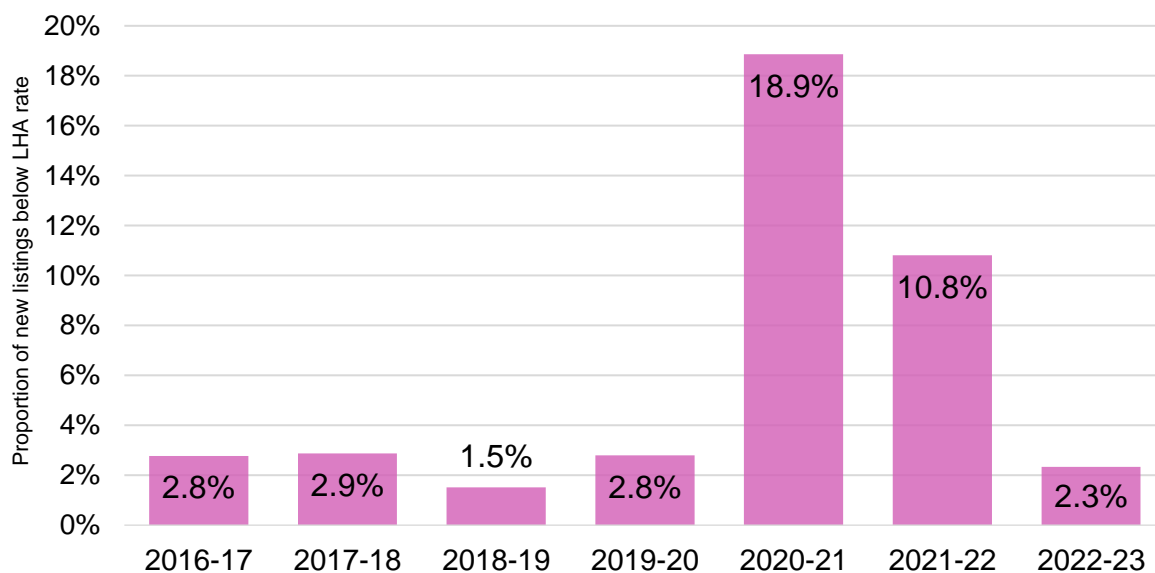


Figure 2: LHA Affordability in London

1.7 In May 2023 DWP statistics show that there were 140,103 low-income London households reliant on housing support in the PRS who’s LHA was less than their rental liability. These households can attempt to bridge the gap through cutting essential spending or borrowing, but with inflation driving up the price of food and energy, such a shortfall is unsustainable and inevitably leads to rent arrears. This significantly increases the risk of homelessness for these individuals and families.

- 1.8 Alma Economics were commissioned by London Councils to estimate the impact of ending the freeze in LHA rates on public sector finances and homelessness. They estimate that uprating LHA to the 30th percentile would prevent an additional 16,500 to 22,000 London households becoming homeless over the next six years, leading to savings of between £80 million and £107 million per year for local authorities. This is further evidence that the LHA freeze is a major contributing factor to increased levels of homelessness. If an additional 22,000 household were made homeless it would not be possible to house them given the current market conditions, leading to a potentially unmanageable financial impact on local authorities (particularly given the increasing reliance on more expensive commercial hotel accommodation) and driving up both out of borough and out of London placements.
- 1.9 Rising homelessness pressures are also illustrated by the increasing number of Section 21 (“no fault”) evictions. Data from the Ministry of Justice show that nationally there was a 34% increase in Section 21 claims issued by private landlords in Q2 2023/24 compared to the same quarter the previous year. Over the same period the number of households in the private rented sector evicted by bailiffs via Section 21 proceedings increased by 41% nationally. The increase is in part due to the lifting of the eviction ban on 31st May 2021 and the subsequent backlog in the courts. It demonstrates that the housing insecurity created by Section 21 is one of the leading drivers of homelessness.
- 1.10 Although a full breakdown of the Section 21 proceedings is not available, the Ministry of Justice state that regional London has the highest private landlord possession claim rates out of any region. This means that the increase in both evictions and claims has had a larger impact in London than anywhere else in the country.
- 2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?**
- 2.1 The key challenge faced by homeless Londoners is the almost complete collapse in the availability of suitable TA, driven by a sharp reduction in the supply of properties in the wider London PRS. In the first quarter of 2023 the number of properties available for rent was 41% lower than the pre-pandemic average across all property sizes.
- 2.2 This has severely limited boroughs’ ability to prevent and relieve homelessness. The reduction in PRS supply has also had an impact on the TA market, making it increasingly difficult for boroughs to procure TA and contributing to the increased use of B&Bs for homeless households.

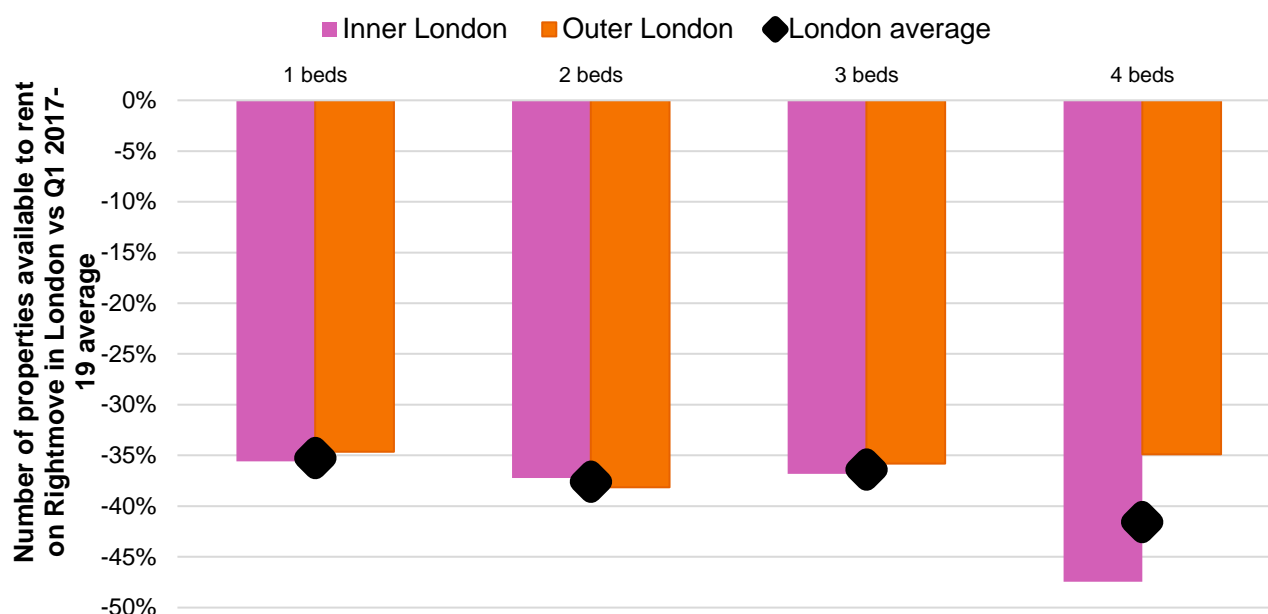


Figure 3: Reduction in PRS Supply in London

2.3 The worsening situation for councils in procuring, and even retaining suitable accommodation is illustrated by a number of data sources. The number of notices to quit (a legal notice requesting the return of a property by a landlord) received by 17 councils for TA accommodation was 74% higher in June 2023 compared to the same month a year earlier. In the ten months from September 2022 to June 2023 London boroughs received 6,317 notices to quit from TA providers: equivalent to 12% of London’s total TA stock.

2.4 Boroughs’ increasing difficulty in procuring or retaining suitable accommodation is driving a persistent increase in the use of B&B accommodation. Data from 27 boroughs show 1,674 families living in B&B accommodation in June 2023, up 375.6% on a year earlier.

2.5 Over the same period, 26 authorities report 989 families living in B&Bs beyond the six-week limit, an increase of 710.7% from 122 the year before (an additional 867 families). A greater proportion of TA residents are living in B&B accommodation for longer than six weeks. In June 2023, 1.8% of all families living in TA had been living in a B&B for six weeks or longer – this compares to 0.2% a year earlier.

2.6 No London borough wants to place families in B&B accommodation, particularly beyond the legal limit. For the purposes of homelessness regulation, B&B accommodation means shared accommodation (whether or not breakfast is included) which is not separate and where cooking, toilet or personal washing facilities are shared. The regulations state that authorities should only use B&B accommodation to accommodate homeless families as a last resort and then only for a maximum of 6 weeks. After years of sustained reductions in B&B usage as a result of concerted action by London boroughs, their use has growth alarmingly as a result of the shortage of suitable alternative accommodation.

2.7 Placements into B&B accommodation is highly detrimental for households, particularly children, with significant implications for their health and school performance. The current crisis means families are being forced to stay in this accommodation for unprecedented lengths of time, which could have a devastating impact on their mental health even more severe than previously documented. This underlines the urgent need for action.

2.8 For local authorities, it is also not in their financial interests to use such accommodation as it is more expensive than alternative types of TA. However, if no alternative accommodation is available then it is better for the families to at least have a roof over their head. Rising numbers of families in B&B are unavoidable in the current market conditions unless urgent steps are taken to bring forward additional TA supply.

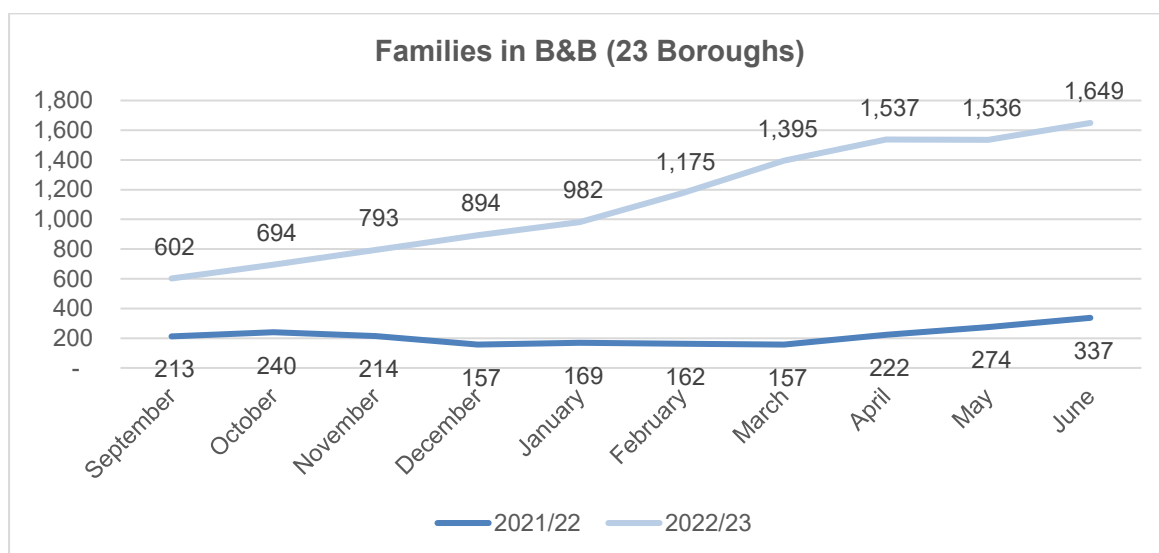


Figure 4: Families in B&B Accommodation in London

2.9 B&B is a wider term for all non-self-contained accommodation, but within this, boroughs are increasingly being forced to place homeless households in spot-purchased commercial hotel bookings at far greater expense than other types of accommodation. This is financially unsustainable for boroughs. While the cost of all accommodation types has grown the average rates paid for shared accommodation (including hotels) have risen by 98% over the past year and are 30% higher than self-contained accommodation.

2.10 In addition to the boroughs' own activity to procure accommodation for homeless households, they face a lack of sufficient cooperation from government agencies and their contractors, most notably the Home Office. For more than a decade the London boroughs have worked jointly to maintain the Inter-Borough Accommodation Agreement (IBAA), which seeks to reduce competition between councils when procuring TA by setting a locally determined maximum ceiling on rates that will be paid in each local authority area. Councils have also cooperated to establish Setting the Standard, a shared service that inspects higher risk TA to check that it meets minimum required

standards. Given increasing pressures on London's PRS and the carefully developed cooperation between councils, it is vital that agencies such as the Home Office and its contractors are full participants within these initiatives to prevent disruption to London's efforts to manage the growing homelessness crisis, resulting in higher public spending and worse conditions within the sector.

2.11 London's intensifying homelessness crisis is also having a serious impact on borough staff and undermining their ability to deliver a high-quality service. Responding to a London Housing Directors' Group survey, boroughs reported that since 2020 staff recruitment and retention within their homelessness services has become more difficult. The boroughs are consequently facing a reduction in staff capacity, with some boroughs noting this as severe. The severity of the crisis is leading to further issues around homelessness staff burnout, resulting from the increasingly traumatic and stressful nature of work. This is leading to high staff turnover and difficulty recruiting to vacancies.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements

3.1 While pan-London initiatives, such as Capital Letters, have worked effectively in the past to increase the supply of good quality affordable accommodation for homeless households the current crisis is so severe and deep that only urgent central government intervention can address it. The macro-economic trends and national policy framework driving the loss of supply – and the scale of accommodation being lost from the sector - are fundamentally beyond the ability of London boroughs to control.

3.2 The number of out of borough placements in London has remained relatively stable over the past eight years. Data from the IBAA shows that the proportion of all TA placements in 2022/23 made out of borough (but inside London) was 54%. This is a slightly lower than the 56% of placements made out of borough in 2015/16. Indeed between 2015/26 and 2018/19 the proportion of out of borough placements actually fell before current market conditions reversed this trend. In Q4 2022/23, 71% of all placements made by a London borough were within their own sub-region. While boroughs recognise that a placement out of borough can have detrimental effects on homeless households – potentially placing them away from their children's schools, place of work and support networks – these placements are never made lightly and are only done so in the absence of other alternatives.

3.3 We anticipate that the factors outlined in this response will result in an increasing number of out of borough placements in 2023/24 but this is a product of the complete lack of available accommodation elsewhere. Only action that addresses the supply crisis will result in reducing the number of out of borough placements.

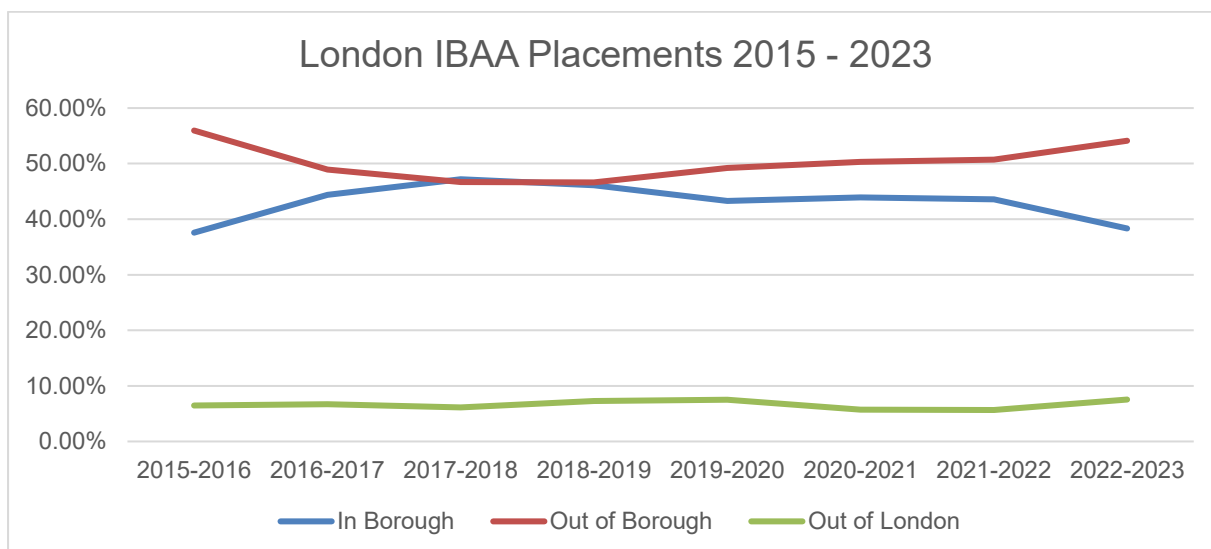


Figure 5: IBAA Placements

3.4 GLA schemes such as the Right to Buy-Back initiative have helped to bring more affordable accommodation into the council stock, but the scale of the current challenge means that far greater levels of funding are necessary to have a meaningful impact.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

4.1 London Councils is calling on the government to urgently take the following steps to address the current crisis:

- Restore LHA rates to cover at least the lower 30% of market rents to improve housing affordability. LHA rates for TA should also be raised to match the equivalent rates for general needs accommodation.
- Build on initiatives such as the Local Authority Housing Fund by providing increased capital investment for housing acquisitions, particularly to acquire homes being sold by private landlords as they exit the market. In 2022, 40% of all homes listed for sale in London had previously been let by a private landlord (although we do not have data on whether those homes left the sector – i.e., whether they were bought by another private landlord). The significant number of homes being sold presents an opportunity to bring more accommodation into the social housing/council sector if sufficient funding could be available for a large-scale acquisitions programme, helping to address London’s homelessness crisis.
- Introduce additional funding as part of the Homelessness Prevention Grant to support staff development and training and help authorities to address issues of staff burnout and retention.

- Immediately increase Homelessness Prevention Grant funding, further to recent additional funding, and raise allocations at least in line with inflation.
- Launch a comprehensive, cross-departmental review of homelessness funding to develop a needs-based funding model that captures homelessness pressures faced by councils.
- Develop a national, cross-cutting homelessness and TA strategy to prevent homelessness and increase the supply of both TA and settled homes.

4.2 In the long-run, the key to addressing homelessness will be to build more homes, and specifically more affordable socially rented accommodation. But in the short-term increasing LHA rates is the most effective tool currently available to the government to prevent and reduce homelessness. This is the most urgent priority for addressing the current crisis.

Merton Council

LB Merton – Call for Evidence: Temporary Accommodation

Housing Committee

What are the reasons for the high demand for TA in London and how has demand changed over recent years?

It remains the case that biggest cause of homeless in Merton is end of AST and there have been significant peaks in admissions to TA from this group in November last year and more recently in September this year. The causes do seem to be related to the ending of the moratorium on evictions after the pandemic, and more recently driven by increases in rent which in themselves were caused by the increase in interest rates. This in turn had affected the ability of people on low income to afford alternative private sector accommodation and are instead more likely to turn to local council for assistance. This has also affected LA's ability to take reasonable steps to prevent and relive homelessness as housing needs assessments are showing clients cannot afford to private rent.

What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

The biggest challenge is finding alternative affordable private sector accommodation in London. The Local Housing Allowance is the main issue here, having been frozen since 2020 and in no way reflects the current market situation meaning virtually all properties are unaffordable. This is particularly acute for benefit capped families. As above this means LA's struggle to find affordable accommodation under our homelessness duties with which to discharge our legal duties

How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Merton is a part of Capital letters but they are also affected by the market changes and are currently unable to provide any significant supply of accommodation. Setting the standard remains important in terms of making sure that the supply of TA is of good quality.

What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Review and increase the LHA to better reflect the current market. This will in turn increase procurement activities, including those of capital letters and may allow larger institutional investors to view affordable private sector accommodation as a viable opportunity.

The Government to increase the subsidy rate on temporary accommodation to make it more affordable, this will likely open up more opportunities to procure local temporary accommodation.

Newham Council

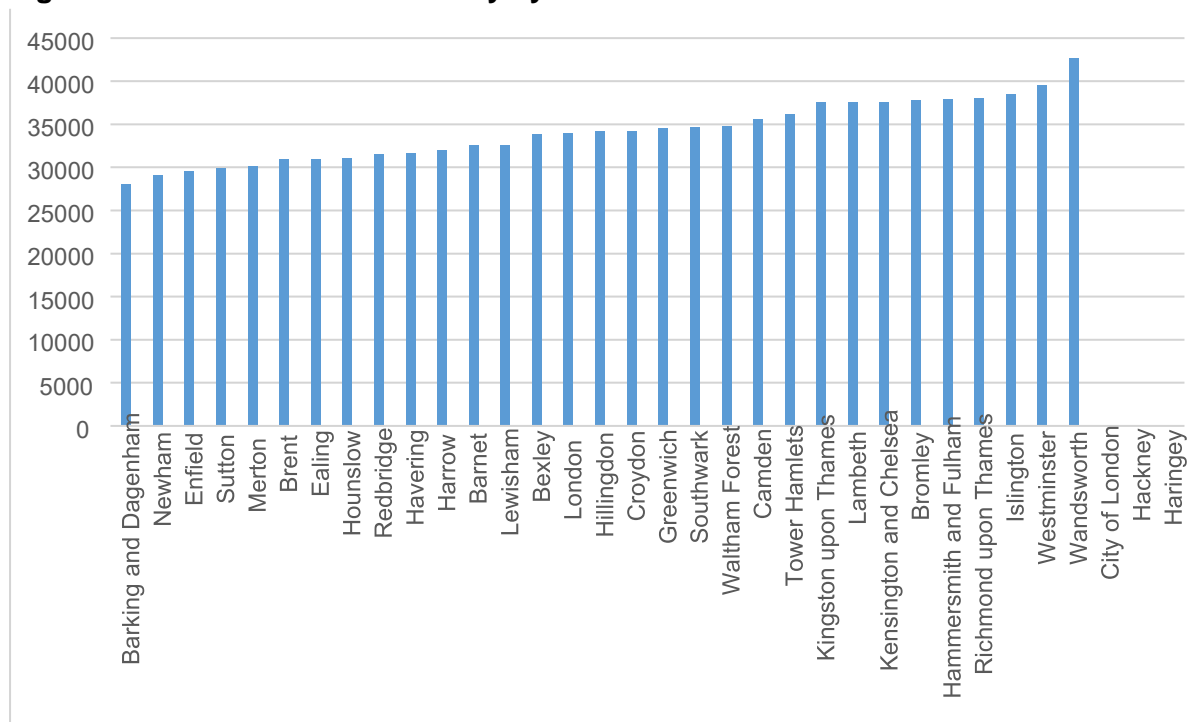
London Borough of Newham Submission to London Assembly Call for Evidence

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Incomes remain low in Newham:

Over one in five (20.5%) of Newham’s residents are in receipt of Universal Credit, a far higher rate than across London or England. Among taxpayers, the median earnings for Newham residents are the second-lowest in London, as the provisional 2022 earnings data in figure 1 shows.

Figure 1: Median Gross Annual Pay by Place of Residence 2021-22



Please note that data in Figure 1 is provisional and therefore doesn’t include estimates for City of London, Hackney and Haringey.

A drop in supply of PRS properties:

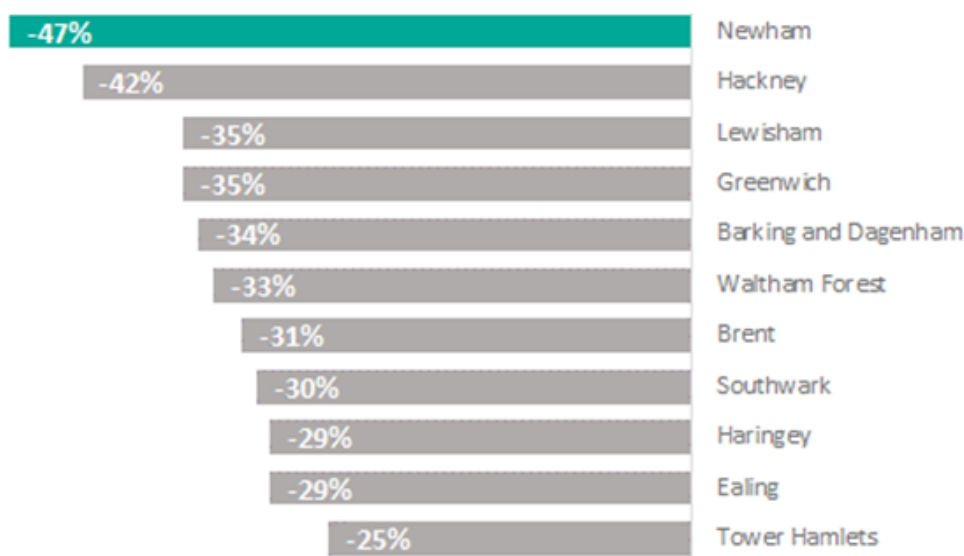
Demand for private rented sector properties dropped during the Covid-19 pandemic. However as the country re-opened, demand increased to surpass pre-pandemic levels and supply was not sufficient to meet demand. Figure 2 below shows that the number of available properties in Newham in Q1 2022 was nearly half the pre-pandemic average.

Some of this can be attributed to landlords selling their properties; analysis has shown an increase of 70% in total sales listings of previous rental properties in London between 2021

and 2022. An NRLA survey shows 25% of landlords made changes to their stock holding and more landlords sold than acquired properties over the last year.

The impact of this is not just that prices have risen for PRS tenants, although this is the case and is one of the key drivers of homelessness at present. It also means that the options available to the Council for preventing and relieving homelessness are reduced, pushing more households into temporary accommodation, including hotels.

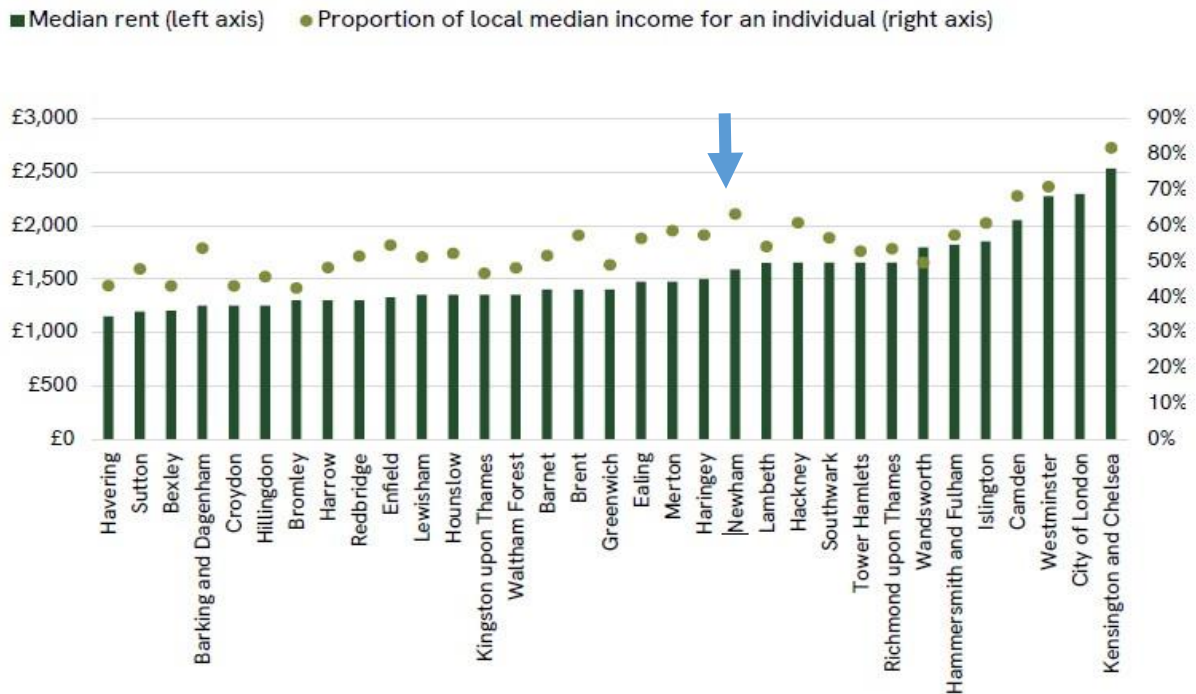
Figure 2: Fall in total listings across Newham’s most similar councils, Q1 2022 vs 2017-2019 quarterly average



High and rising rents:

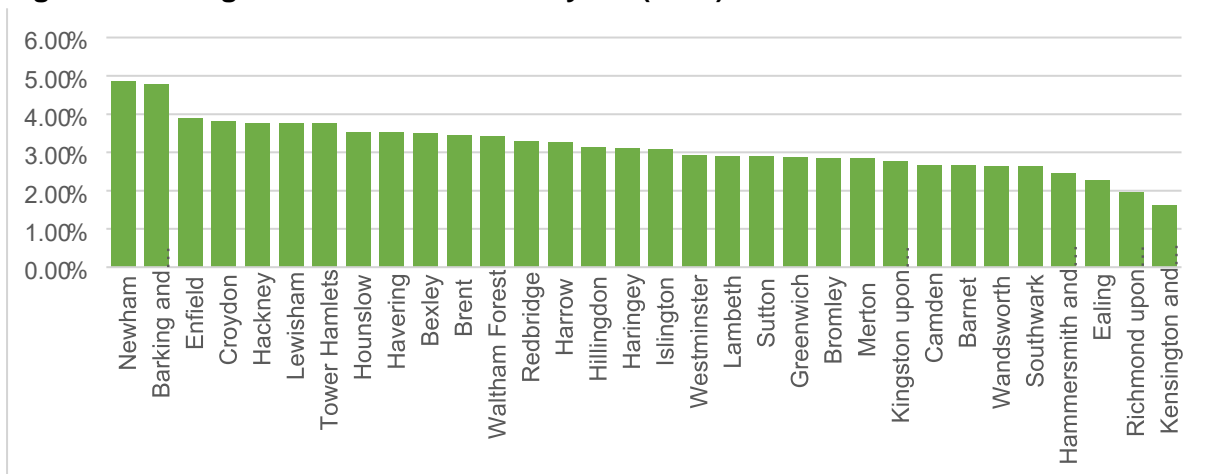
Newham residents have been spending very large proportions of their income on housing costs for some time, with it becoming increasingly unaffordable. The average median monthly rent for a 2 bedroom home in Newham between Apr 2022 and Mar 2023 was over £1500, amounting to over 60% of local median income for an individual. Although Newham ranks 13th highest among London boroughs for median rent, it ranks 4th highest by the proportion of local median income going towards this rent. Relative to most London boroughs, Newham residents are spending more of their income on rent than other boroughs.

Figure 2: Average (median) rent by London borough, and the proportion of local median income going towards rent



Council records indicate that over half of Newham’s residents live in the private rented sector and are therefore vulnerable to these increasingly unaffordable rents. Due to the comparatively low cost of housing in relation to other parts of London, rental yields for private sector landlords are estimated to be higher than other boroughs in London; making Newham a lucrative borough for private landlords.

Figure 3: Average Private Sector Rental yield (2021)



ONS data suggests that private rents in Newham have risen to now be comparative to areas such as Hackney, Tower Hamlets and Islington.

Cost of living crisis:

The rising costs of food, fuel and housing have not been met with a proportionate rise in incomes, whether via employment or benefits. This is resulting in the accrual of debt and rent arrears, which in many cases results in eviction. Where households are unable to find another property that is affordable, they risk becoming homeless.

Benefits:

Local Housing Allowance should cover the lowest 30% of the rental market in an area. LHA has been frozen since 2020 while rents across London have grown by 14.3% in the year to February 2022. In the two years up to Q1 2022, less than 100 2-bed properties, and less than 50 3-bed properties were listed in Newham that would be affordable at the current LHA rate (0.1% of the market).

The mismatch between LHA and rents makes landlords less keen to let to households in receipt of housing benefit or Universal Credit. It also means households have to make up the shortfall themselves and for those on low incomes can result in households falling into arrears and becoming homeless. This is particularly common in single parent families who are also struggling to deal with rising food and fuel prices.

Figure 4: Percentage of private rental properties on Zoopla affordable on housing benefit, by quintile of 30th percentile rent growth since 2019

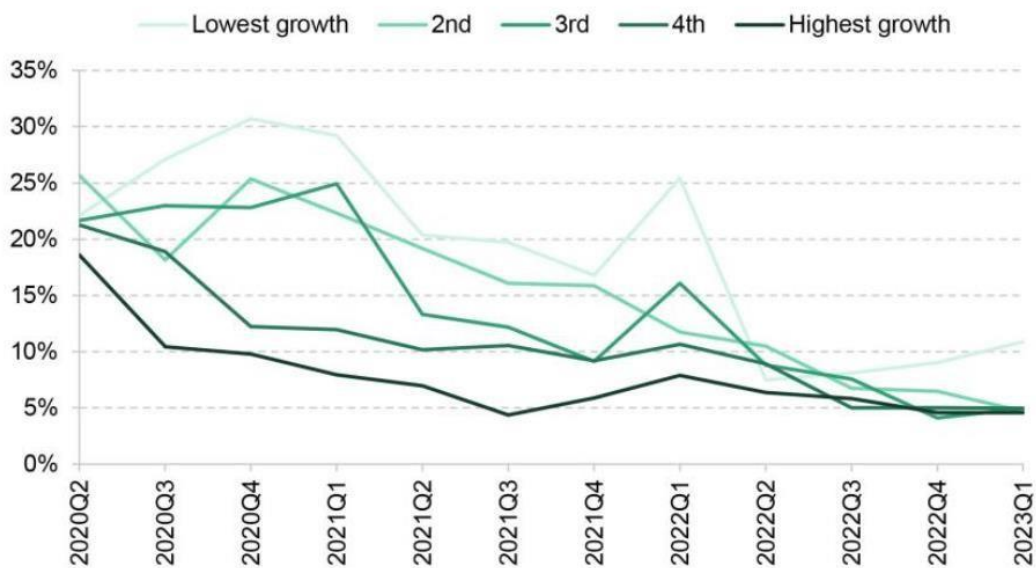
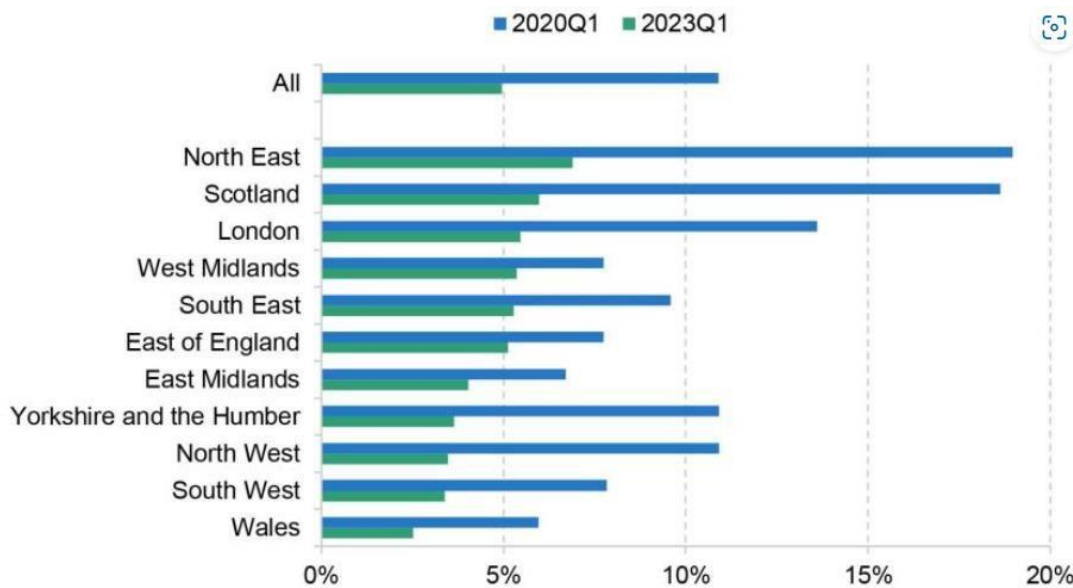


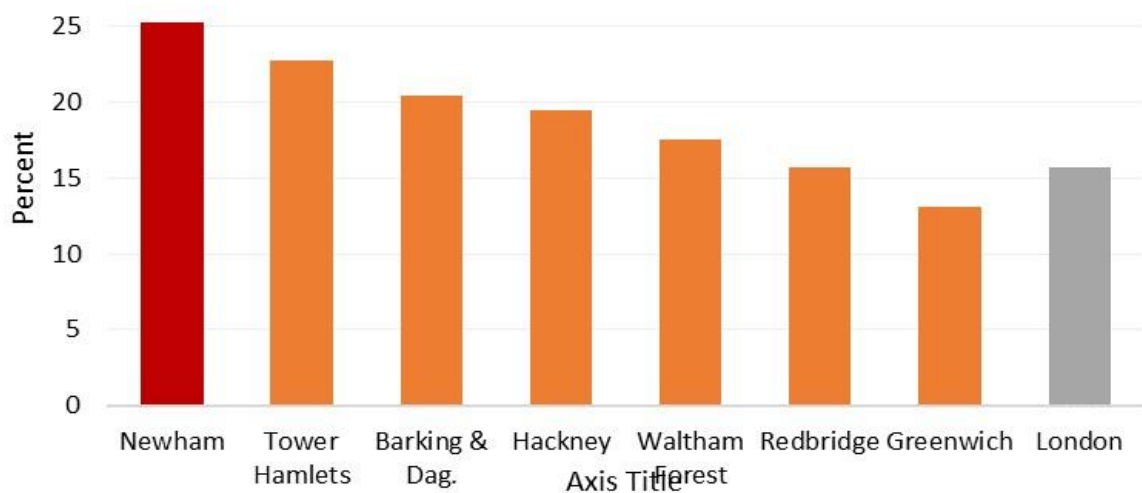
Figure 5: Percentage of private rental properties on Zoopla affordable on housing benefit, by region



Overcrowding:

The most reason for homelessness in Newham is being asked to leave home by family or friends. In Newham this is likely to be exacerbated by the fact that we have the highest rate of overcrowding nationally. One in four households in Newham are overcrowded, having one or more bedroom less than required. Given existing space pressures on households, residents are less able to accommodate friends and family.

Figure 6: Rates of overcrowding according to the 2021 Census



2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Challenges for clients:

Long durations in temporary accommodation:

A key challenge is that of insecurity of tenure and long waits in temporary accommodation. Although they have a reasonable preference (the Council owes a homelessness duty) they still face extremely long waits for a social-rented property. There are currently over 36,000 households on the housing register, most of whom also have a reasonable preference. Although the Council has amended its allocations policy and this has seen an increase in offers made to households in temporary accommodation, this only benefits those who are severely overcrowded as well as homeless. The lack of supply of social housing is a key barrier to moving people on from temporary accommodation - each year around 6-800 social rented properties become available.

Stays in hotel accommodation:

Between October 2022 and September 2023, the number of tenancies and people in temporary accommodation in hotels for Newham residents doubled from around 200 to over 400 tenancies, but this has since been reduced due to intensive work to move households on. Hotel accommodation is not self-catering and this presents a challenge for feeding families cheap, hot, nutritious meals. Takeaway meals are usually not an option due to the expense, and are often not a long-term solution to feeding children a balanced diet. Moreover in addition to food, access to fridges, the ability to sterilise equipment (such as baby bottles) and laundry services is often lacking in hotel accommodation.

Out of borough placements:

The rise in demand and limited supply has necessitated a rise in out-of-borough placements of homeless households, despite efforts to keep this to a minimum and ensure that those who are moved are those for whom it would be the least disruptive. For residents, this can mean moving far from their support networks, jobs and children's schools, and bearing transport costs.

Challenges for Newham Council:

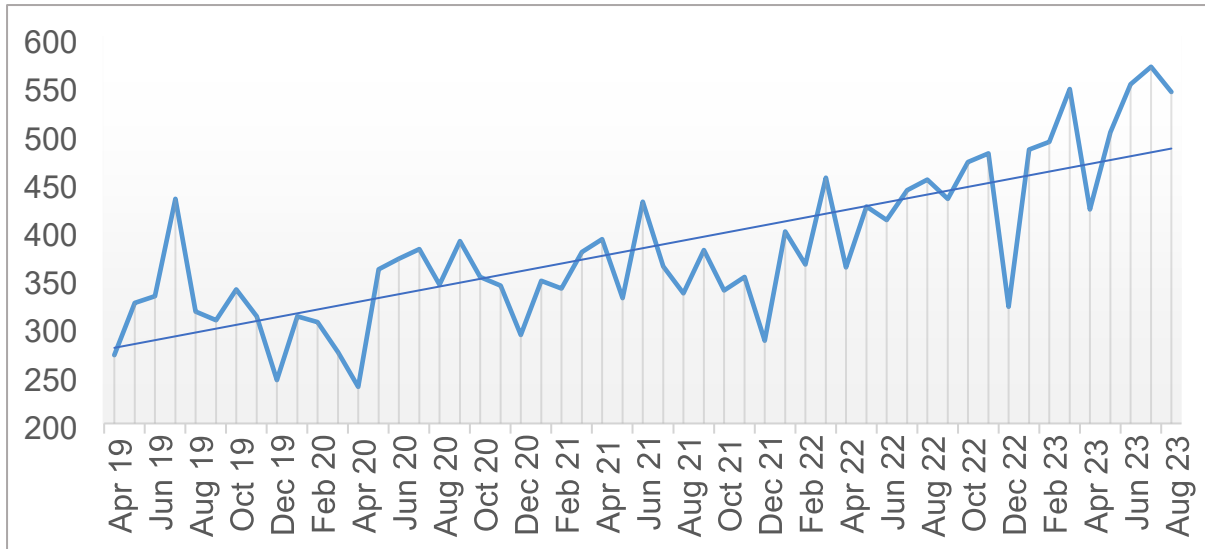
Large numbers of homeless approaches:

As has been the case for several years, the Council is seeing rising numbers of homelessness applications. In 23/24, based on the current trend alone, we are forecast to see just under 6,500 applications, with little sense on when demand might stabilise. This is a 22% increase on the 5,321 applications received in 22/23 which was a 20% increase on the 4,083 applications in 21/22.

Although not all applications will result in a homelessness duty being accepted, there was a 9% increase in homelessness acceptances in 22/23. The increase in applications underscores the difficulty with reducing the number of households in temporary accommodation in a context of heightened need for homelessness services.

The cost of living crisis is expected to further increase demand; Newham has the second highest fuel poverty rate in London and every neighbourhood in Newham falls within the top 10% most deprived nationally for the barriers to housing and services.

Figure 7: New Homeless Approaches April 2019 to August 2023



Large numbers of households in temporary accommodation:

The number of households in TA has been steadily increasing following a reduction postpandemic with a sharp upturn in numbers resulting from the cost of living crisis and the contraction in PRS supply. Due to the lack of supply, this has correlated with an increase in the reliance on nightly paid accommodation with the highest cost hotel accommodation impacting on spend.

Increasing homelessness is increasing the number of residents in temporary accommodation. Between October 2022 and October 2023, there has been an average increase in households in TA of 8 per week. At present, there are 6,215 households in TA in Newham. The number of households in temporary accommodation continues to rise, albeit at a slower rate than pre-Covid. Projections indicate potential rise in temporary accommodation numbers to 7,000 at the end of 2026.

Figure 8: Number of households in temporary accommodation

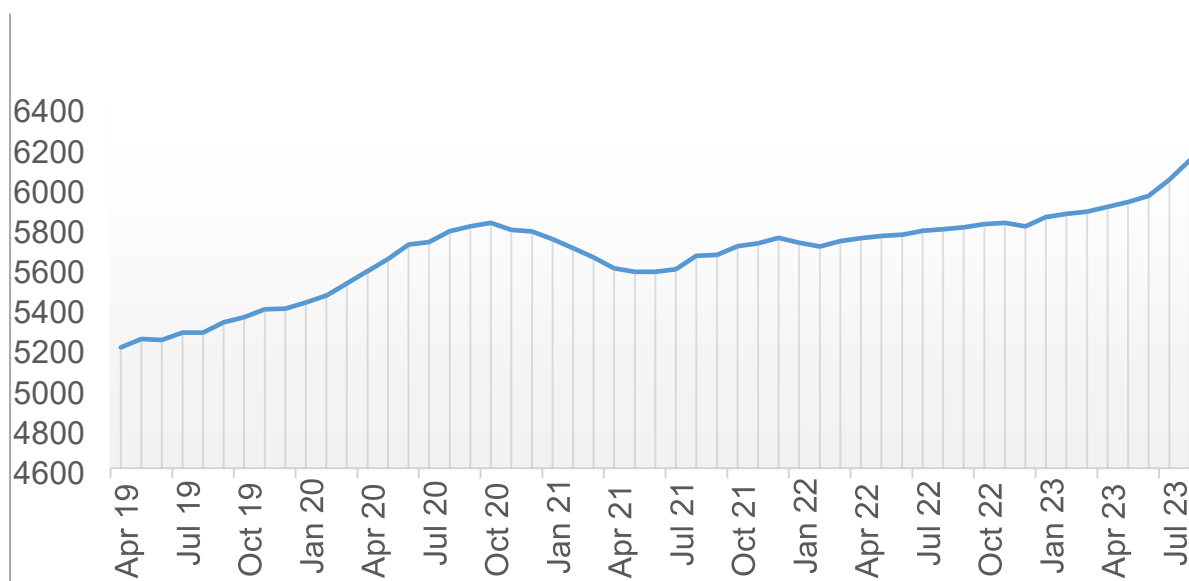
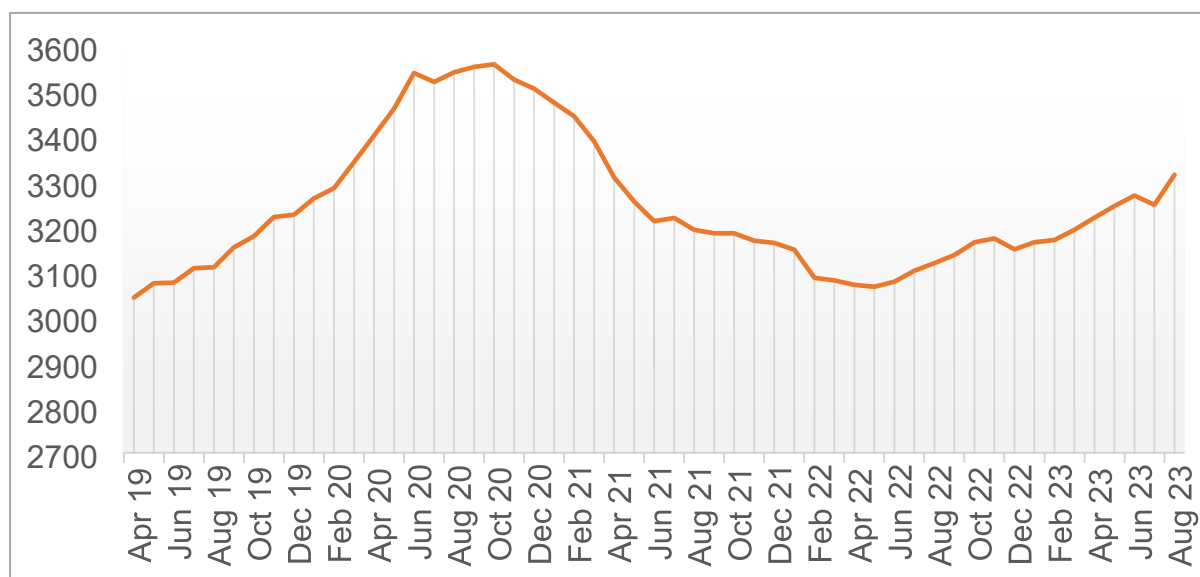


Figure 9: Number of households in nightly paid accommodation



High and increasing costs of nightly-paid temporary accommodation:

The unit cost (average cost per night per household) increased between May and June, which accounts for £1,659k increase in the end of year financial projections. Any small increase in unit costs can have large implications. A £1 increase across all nightly-paid accommodation types equates to £1.2m increase in full year costs. The actual increase in June 2023 was between £1.30 and £5.78 across shared accommodation, self contained, and commercial hotels (there was no increase in unit cost in Marlin apartments). Additionally, the Council has received an unprecedented number of notices to quit (over 400) for existing temporary accommodation tenants from temporary accommodation

providers in order to increase rents. This results in the Council having to find new accommodation for households who had already been housed in temporary accommodation, in addition to housing new homeless households. This is particularly challenging for Newham given the legacy of large numbers of households in TA.

Figure 10: Cost per household per night in different nightly-paid accommodation types, June 2023



Reduction in available private rented sector housing:

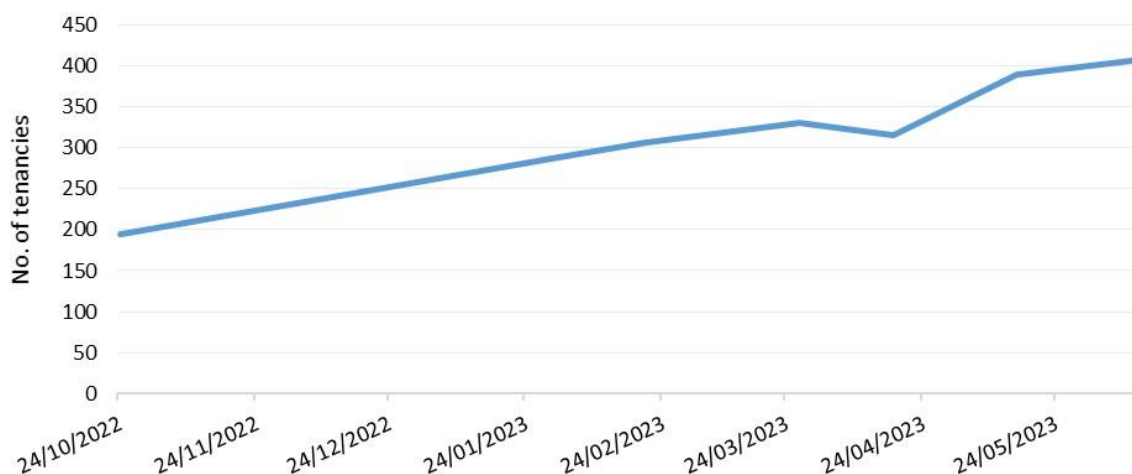
As noted above, rental supply is insufficient to meet demand. This is not only a driver of homelessness, but also presents a challenge for the Council’s response to homelessness. The Council procures private rented sector properties for use as temporary accommodation through a dynamic purchasing system, and this is a key source of temporary accommodation. The high costs are passed on to the council, and it becomes increasingly challenging to source accommodation, with reliance on hotel accommodation increasing. There is additionally competition between boroughs for supply of private rented sector housing for prevention and relief of homelessness, as well as for temporary accommodation. Over half of all homeless households are in London, which results in high demand for properties across London and the South-East for out-of-borough placements. Some outer London boroughs with relatively low rents are being forced to compete with other councils for properties within their own borough. This further inflates rents.

Increasing use of hotel accommodation:

Since October 2022, the number of tenancies and people in temporary accommodation in hotels for Newham residents doubled from around 200 to 400 tenancies. Approximately half of those in hotel temporary accommodation are children and the majority of tenancies are located outside of the borough. This is a particularly expensive option for the Council and used as a last resort.

It also creates additional support pressures for the Council. As noted on p5 above, the lack of availability of cooking and laundry facilities is challenging for households in hotel accommodation, and the Council is taking action to support these, for example through the use of family navigators. However this is resource-intensive and also comes with high costs for the Council.

Figure 11: Temporary hotel accommodation tenancies for Newham residents 24/10/22 – 12/06/23



Changes to the asylum system:

The pressures of recent refugee resettlement schemes also create demand for temporary accommodation and private rented sector accommodation. The recent changes to the asylum system by central government has caused concern that up to 2000 new homeless applications will be made before end of February 2024. Whilst 2000 applications are a ‘worst case’ scenario from a demand perspective, only a small percentage of approvals will have a significant impact on the Service and demand for temporary accommodation.

Staff retention and recruitment:

We are experiencing difficulties in recruiting and retaining staff – burnout, stress, retention, difficulty in recruiting people with knowledge, skills, experience, inability to train people due to demands on services.

3. *How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?*

We have purchased over 300 properties over the last three years, using the GLA’s ringfenced/Right to Buy Back funding to support this. We would support similar schemes being introduced in future.

We have used HRA buy-backs in the past to use as temporary accommodation, but in any future scheme we would like to see greater flexibility for councils to use RPs and whollyowned housing companies to maximise the available funding.

We also believe that a beneficial approach is to maximise the available alternatives to temporary accommodation. Newham has an acquisitions programme within its general fund, acquiring properties for making offers of accommodation in the private rented sector (PRSOs) to homeless households, with rents capped at local housing allowance (LHA) rates.

4. *What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?*

LHA and Benefit Cap:

Central Government should bring local housing allowance rates back in line with the lowest 30% of the housing market, and review it each year to ensure it remains in line. The mismatch between housing benefit and UC and actual rents is a key driver of homelessness.

Government should also consider lifting the benefit cap. This has an impact on housing affordability for households in London where housing benefit claims are relatively high and larger households who are most likely to be subject to the benefit cap.

Supporting acquisitions of social housing:

Allowing local authorities to use a larger share of Right to Buy receipts to purchase social housing would boost supply of social homes quicker than relying on local authorities and RPs to build them directly or see them delivered via section 106. An increased supply of social housing will enable boroughs to move households on from temporary accommodation

Funding to boost supply of temporary accommodation:

As noted above, making funds available to boroughs to acquire properties for use as temporary accommodation would boost supply. However it's important that this could be used flexibly by Boroughs including their wholly-owned housing companies or RPs. Similarly, supporting boroughs to acquire properties for use as affordable alternatives to temporary accommodation would be beneficial. As above, ensuring that funding could be used by RPs and Boroughs' wholly-owned housing companies would enable Councils to make best use of available funding. Both such funding streams could be delivered by the GLA in recognition that the issue is particularly acute in London.

Homelessness Prevention Grants

We ask that Central Government implements new approach to funding homelessness, with a needs-based funding model that takes account of housing affordability and actual rates of homelessness. It should also be linked to the actual cost of providing temporary accommodation. Currently, the temporary accommodation subsidy covers 90% of the 2011 LHA rates, which is clearly completely uncoupled from temporary accommodation costs at present and results in councils that have no choice but to house homeless residents incurring huge costs. Funding allocations should also be joined up and allow Councils to plan for 2-5 years in advance, while including enough flexibility to respond to crises like the Covid-19 pandemic.

Joined up policy around homelessness and rough sleeping:

At present funding and support are ring-fenced for either homeless households or rough sleepers despite the Homelessness Reduction Act aiming to join them up. Government should instead recognise that households and individuals can move back and forth between homelessness and rough sleeping and design policy accordingly.

An end to Section 21 evictions:

Despite it being announced three governments ago, this has still not been brought in. This could go a long way to slowing the high rates of evictions in Newham.

Southwark Council

Call for Evidence: Temporary Accommodation

Introduction

The following evidence has been prepared by Southwark Council, an inner-London borough extending from the river Thames into south-east London.

Like most inner London local authorities, Southwark is unable to secure enough affordable temporary accommodation to be able to keep all homeless residents housed in the borough and at times, households must be placed out of the city. There are 160,000 Londoners in Temporary Accommodation (TA), which is 60% of the national total of individuals in TA. As of August 2023 there were 3653 households in TA in Southwark.

There are severe constraints on the amount of temporary accommodation that can be procured from registered providers or by direct purchase. While the council will continue to pursue such opportunities where they are available, a key component in the council's procurement strategy is accommodation sourced from the private sector.

Executive Summary

- a. Southwark has a proud record of supporting residents, is the largest council landlord in London and at the forefront of efforts to build new council homes. Southwark has introduced a Good Homes Standard for TA to protect residents, along with other measures such as placing 1,200 TA households on our estates (in properties which are part of long-term regeneration schemes), a commitment to avoid placing families in B&B accommodation and using 50% of 1 bedroom voids within council stock as temporary accommodation.
- b. Pressures on TA are however increasing significantly, with the number of households in TA rising and projections anticipating a significant acceleration in this rise over the coming years. This is placing unprecedented pressures on the council.
- c. The key driver of high demand in TA in recent years in Southwark has been evictions by from friends and family, however demand is now worsening due to evictions from the Private Rented Sector (PRS), the Cost of Living crisis which has pushed more people into arrears, and Home Office policies which are putting huge pressure on the system.
- d. We anticipate a large increase in demand for TA from those leaving Home Office (HO) accommodation, due to changes to the asylum application processing system, including the 7 day notice to quit once applicants have received positive decisions. In Southwark alone, up to 1,200 additional households are projected to present as homeless as a direct result of this change.

- e. HO is also procuring PRS accommodation in Southwark, competing and outbidding the council for available PRS properties. This is in a context where the lack of supply of PRS is already the greatest challenge in procuring TA.
- f. An urgent national, cross-departmental review into the supply of PRS accommodation is therefore necessary. The use of government, GLA and other bodies' influence to improve collective engagement with private landlords to rent homes to the council and increase local supply is essential in the medium to long-term.
- g. In the short term, increased funding from central government to prevent homelessness – including raising housing benefit – along with support for local authorities to buy back former council properties, is essential for mitigating this crisis. We support calls to peg the Local Housing Allowance rates to the bottom 30% of local rents, and would like to see exemptions from the lower Shared Room Rate for those leaving asylum accommodation.
- h. Policies that will encourage investment and sustainability of the private rented market are important, including measures such as tax relief and fee waivers. This must be accompanied with – as the Mayor has requested – devolution on rent controls to permit a rent freeze as PRS costs soar, with the aim of cutting the numbers leaving the PRS and cutting costs to local authorities for renting PRS properties for TA.

Key questions

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

- a. Covid-19 had a considerable impact on demand for TA. Table 1 below shows the level of homeless approaches to Southwark during the last 5 years. Figures during 2020 and 2021 were obviously impacted by Covid-19 and the “everyone in” work to protect residents, including those who may rough sleep, from the pandemic.
- b. Homeless approaches in 2023/24 are climbing, with month on month increases in demand leading to higher numbers of placements. So for example between July and August there was an increase in approaches from 257 to 270 leading to placements in temporary accommodation placements increasing from 115 to 140. Recent impacts from the Home Offices streamlined asylum processing (described at g below) saw a ten-fold increase in applications resulting from the ending of Home Office support during September of 2023. The likely number based in the Home Offices new approach looks to cause massive demand in the last 6 months of the 2023/24. The majority are single persons rather than families.

Table 1: Homelessness approaches over time

Homeless Approaches	
Financial Year	Total Number
2018/2019	3409
2019/2020	3216
2020/2021	3821
2021/2022	3340
2022/2023	2993

- c. Table 2 below describes the reasons for households approach for homeless support. The single biggest reason for homelessness nationally is end of PRS tenancy, reflecting the turmoil in the private rented market and the affordability issues affecting residents leading to more homelessness from that sector, less prevention options into the PRS and less availability of temporary accommodation from PRS suppliers.

Table 2: presenting reasons for homelessness over time

Reason for homelessness ⁸	18/19	19/20	20/21	21/22	22/23
PRS eviction – AST	465	500	416	553	473
PRS eviction - non AST	45	102	99	134	137
Eviction social housing	68	71	160	520	593
Eviction supported housing	51	34	55	101	74
Mortgage repossession	8	6	4	6	5
Family exclusion	699	748	1020	851	658
Friend exclusion	236	248	348	250	180
Relationship breakdown	113	118	176	106	196
Domestic abuse	281	285	385	328	241
Domestic abuse - excluded perpetrator	0	1	0	1	9
Racial harassment/violence	6	10	11	0	10
Other harassment/violence	37	34	47	59	50
Left institution	55	41	37	5	0
Left HM Forces	2	7	4	2	3
Left Home Office accommodation	74	45	31	49	62
Left custody	0	1	3	46	64
Left hospital (mental health)	0	0	0	7	12
Left hospital (physical)	0	0	0	10	13
Home medically unsuitable	0	0	0	27	22
Fire, flood, other emergency	12	9	49	188	78
Disrepair	18	18	45	25	45

⁸ Please note that these are reasons for why someone might present as homeless. Where the reason given is 'eviction social housing', it is the anticipated reason and we will prevent homelessness for the majority of these through allocation of a 'discretionary housing payment' or via our rent arrears fund.

Other ⁹	828	890	865	3	0
Total	2998	3168	3755	3271	2925

- d. This is reflected in Southwark, with end of private rented sector (PRS) tenancy the second greatest reason for homelessness, behind eviction by family. In responding to homeless applications the Housing Solutions service works in collaboration with residents to prevent homelessness and the need for temporary accommodation. The paucity of affordable PRS supply currently is making it harder to prevent homeless demand from this sector and more difficult to prevent overall demand with prevention options in the private sector. Table 3 below shows the households to whom a fully housing duty is accepted as a result of a homeless application (those we owe a duty to and are unable to prevent or relieve their homelessness).

Table 3: Homelessness acceptance rate

Acceptance Rate	
Financial Year	Acceptance Rate
2018/2019	34%
2019/2020	30%
2020/2021	25%
2021/2022	23%
2022/2023	28%

- e. Over time the use of temporary accommodation in Southwark has been increasing, most particularly between 2019-early 2022. Numbers have increased a small amount since April 2022. As at the 1st September 2023 there were 3653 households in TA provided by Southwark. Numbers have been maintained at broadly similar levels across the last year, in the face of increasing pressure that has led to significant upwards trends elsewhere in London. In the last couple of months this upwards trend in demand and the lack of PRS supply to help prevent homelessness has seen TA starting to go up. The numbers are broken down by accommodation type in table 5 below, which shows the range of emergency and longer term temporary accommodation used by the service. Shared nightly paid/B&B accommodation is used predominantly for single households, with few families placed in this accommodation and if they are, for relatively short periods.

⁹ The dramatic change in figures in the 'Other' line reflects work to improve data collection

Table 4: Households in TA over time (snapshot)

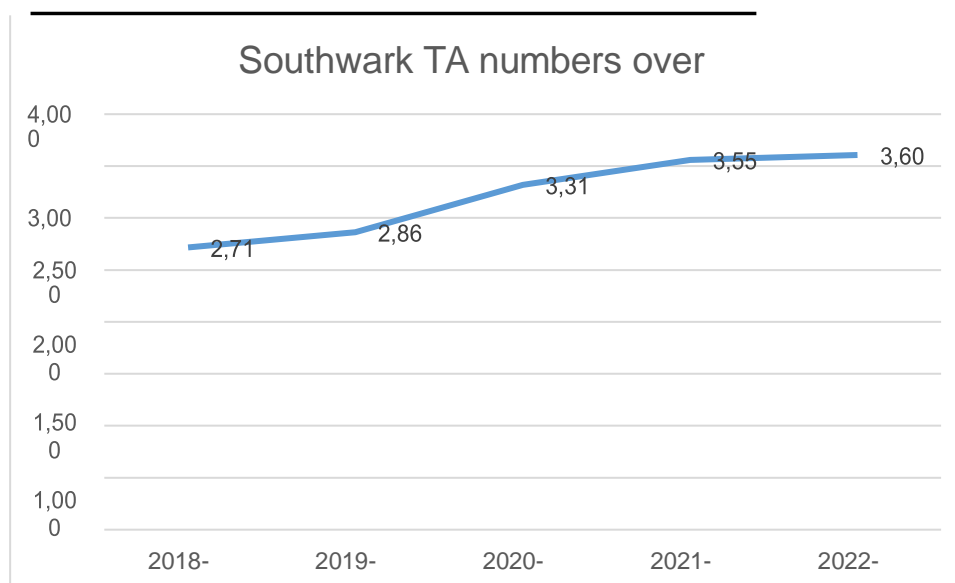


Table 5: Southwark TA as at 1st September 2023

TA snapshot 1st September 2023	Households
Shared nightly paid/B&B	138
Self-contained nightly paid	835
Southwark Hostel	26
Leased	1353
LBS Estate TA	1297
Voluntary sector	4
Total	3653

- f. A recent change to the asylum application processing system by the Home Office is likely to cause a future large, uncontrollable demand impact, predicted to hit the service during 2023/24. In April the government announced they would introduce a new streamlined asylum process for certain nationalities, to speed up decision making. This is due to be rolled out more widely post September. The numbers across Southwark who may as a result receive decisions and subsequently approach as homeless after being told to leave Home Office accommodation, now with just 7 days' notice, are large.
- g. There are 4 asylum hotels in the borough and others living in non-Home Office settings within the community. Projections including all the different categories and

including assumptions based on their likely positive decision rate from the Home Office suggests up to 1,200 individuals approaching as homeless, the majority of whom will be singles. Families appear to form around 150 of the group but there is no reliable data on the size of families and this impacts on assessments of the number of singles – likely however to be 800-1,000.

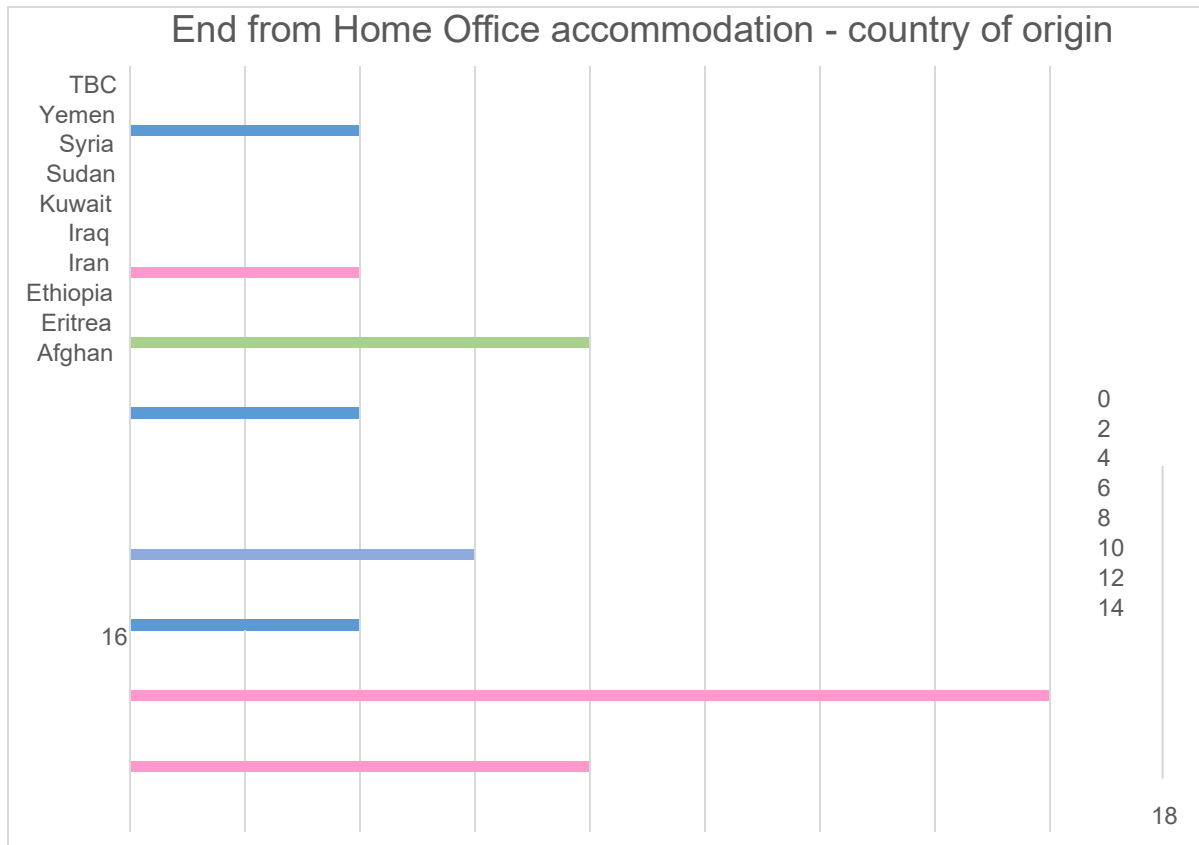
Table 7 below shows a sharp increase in homeless approaches as a result of this pressure coming through in September 2023.

Table 7: Homelessness as a result of home office decision



- h. Table 8 below shows the cases who are coming forward as a result of Special Access Programmes (SAP) (pink bars) already. The data on the 60 cases approached so far shows 9 families, 49 singles and 2 to be assessed. 41 of these 60 applications were received in September.

Table 8: Country of origin, homeless approaches as a result of Home Office decision, April-September 2023



- i. To manage this demand, advice surgeries are being carried out with refugee organisations and the DWP and a bespoke pathway has been put in place. The time between households receiving a home office decision and needing to leave their accommodation is now much shorter as a result of a change in the rules. This leaves little time to work with them to provide advice assessment and solutions.
- j. Anecdotal evidence appears to show that Home Office (HO) procurement of properties is impacting the local PRS market in Southwark. By directly competing and outbidding Southwark for available PRS properties, and offering rates above the Pan-London rates outlined in the IBAA, this contributes to further increases in market rates. Communication on procurement activity is neither timely nor provides sufficient detail.
- k. Quality of supply is also being affected by HO. Southwark works within the pan-London 'Setting the Standard' regime which inspect and grade conditions of accommodation. The Council receives complaints about the standard of properties procured by the HO which do not work within the same regime.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

- a. The lack of supply of PRS is greatest challenge in procuring TA for homeless households. As reported by Savills & LSE, landlords most likely to let to councils are leaving the market, or moving away from letting to low-income households. There has been a significant increase in sales of formerly rented properties as the effects of mortgage rate increases and, anecdotal evidence suggests, tax changes, trigger landlords to exit the market.
- b. The lack of supply and increase in interest rates is increasing supply-side costs and availability, causing an increase in spend, including those under the Inter-Borough Accommodation Agreement (IBAA), where rates have risen by 10% since March 2023. Where providers are maintaining relationships with the council, incentive expectations are greater and there is a shift to more expensive nightly-paid agreements, over which the council has little control if it wishes to retain supply.
- c. Whilst provision declines the cost of what is available increases. The survey shows overall rates up 13.2% over the year, with incentives up 14.2% for PRS supply. Gross spend on TA has increased by 24.3% and authorities are reporting their net budget deficits as increasing by 18.2%. Table 9 shows comparative figures in costs of TA between June 2022 and June 2023 for both Southwark and London as a whole.

Table 9: TA costs from London Council’s dashboard compared to Southwark position as at June 2023

	Southwark		London		No's reporting
	Jun-23	Jun-22	Jun-23	Jun-22	
Median cost of TA	£302.35	£300.64	£323.66	£284.44	23
Median cost of incentives	£4,000	£2,222	£3,314	£2,902	16
Gross spend on TA (cost - rental income)	£1.56m	£1.33m	£38.9m	£48.3m	21
Projected deficit	£1.54m		£105.5m	£89.2m	16

- d. The rising costs for TA to the council have led us on occasion to make the difficult decision to place households outside of the borough. Currently Southwark has only 3% of households placed outside of London, and 51% in other London boroughs.
- e. We are working to ensure that households placed into TA are placed within Southwark, where possible, and we have a clear framework which enables us to make offers based on individual households needs. Most of the households that are offered TA in borough are now staying in council-owned sites earmarked for demolition and rebuild. We now have over 1,200 such households housed on estate properties, accounting for a third of all households in TA. That said, the use of accommodation from other London boroughs and homes outside of London will inevitably increase given the lack of affordable PRS accommodation and as numbers presenting as homeless increase.
- f. In 2021, Southwark introduced the ‘Good Homes Standard for temporary accommodation’ which clearly set the expected standards of homes for those who find themselves in need. By working with providers, the council set requirements to ensure that properties are of an appropriate size, have the relevant safety checks, levels of cleanliness and that they are free from hazards or pests. Despite having these basic standards in place, the overall standards of temporary accommodation and PRS accommodation for prevention/discharge are reducing. Much of what is

offered to us by providers now is of a higher price and lower standard than we require, forcing us to make difficult decisions in housing placements.

- g. The council also has a commitment not to use Bed & Breakfast accommodation for families unless absolutely necessary, recognising that ‘temporary accommodation’ can actually be someone’s home now for months, even years. As shown in Table 10, only one family was temporarily placed in B&B accommodation as of June 2023, with no families in B&B for longer than 6 weeks.
- h. For those wanting to move on from TA, the lack of supply and high rents are prohibitive in find suitable accommodation and therefore households are remaining in TA for longer.
- i. In general, the turnover of tenants in rental properties of all property sizes and types, has decreased as tenants seek to remain in rented homes for longer periods and therefore fewer properties are available to be re-let.

Table 10: TA indicators from London Council’s dashboard compared to Southwark position as at June 2023

	Southwark		London		No. reporting
	Jun-22	Jun-23	Jun-22	Jun-23	
Homeless presentations	205	282	6295	7689	28
Owed prevention/relief duty	137	170	4916	5540	28
Numbers in TA	3597	3653	52571	56061	27
Children in TA	4025	4173	59618	62110	23
Families with children in B&B	1	1	352	1674	27
Families with children in B&B more than 6 weeks	0	0	122	989	26
PRS accommodation procured to discharge the homeless duty	22	14	663	480	29
Notice to quit received on temporary accommodation	96	113	287	413	20

- j. Families that would never have approached in the past are approaching the council now as cost of living continues to impact. The lack of supply is affecting working households as landlords seek higher rents. In the past Southwark has been able to help people find PRS accommodation as part of prevention duty, however lack of supply means the council is struggling at times to deliver in this way.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

- a. Mayoral work, and funding around rough sleeper support has helped the borough to provide a decent option for those who are rough sleeping both in terms of TA, prevention work, support and long term accommodation options.
- b. The joint work on rough sleeping has been invaluable to the authority in supporting some of our most vulnerable residents, many with complex needs to come off the streets and have access to a good range of TA options and to work with us on their longer term needs.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

- a. The market is broken and longer term infrastructure change is needed in order to give certainty to levels of supply and cost. Echoing the conclusion of the LSE/Savills report, an urgent cross-departmental review into the supply of PRS accommodation supply is necessary. The use of government/GLA influence to improve collective engagement with private landlords to rent homes to the council and increase local supply.
- b. Given the scale of current challenge, additional funding from central government to support homelessness prevention (e.g. restoring and increasing levels of Discretionary Housing Payments, providing additional funding through the Homelessness Prevention Grant) and provision of TA is required in the short-term.
- c. Southwark residents reliant upon Housing Benefit (HB) cannot access the available accommodation in the borough and many other parts of London as market rental rates are well above what can be paid in benefits in line with the current Local Housing Allowance (LHA) rates.
- d. As described above, existing private tenants are impacted due to the rising costs to landlords which are being transferred to tenants through rent increases. The current LHA rate is inadequate to support residents who are unable to meet the increased rental costs which is resulting in increased number of evictions due to landlords desire to obtain greater rental income. A rise in LHA rates more generally will support residents to retain their homes and prevent homelessness. It will also provide a greater chance of affordable options for moving and avoiding homelessness. We therefore support calls to peg the LHA rates to the bottom 30% of local rents, and would also like to see exemptions from the lower Shared Room Rate for those leaving asylum accommodation.

- e. A rise in LHA will enable local authorities to recover more rental income from temporary accommodation. The current formula for HB subsidy on TA, which links to 90% of January 2011 LHA is wholly inadequate in today's market and creates significant cost deficits for authorities when securing provision. A more realistic approach to rates would enable local authorities to develop an improved relationships with landlords, to obtain new and retain existing temporary accommodation locally. Therefore we ask the government to increase the Local Housing Allowance to reflect current market rates, enabling residents to afford the private market and landlords to continue to rent to residents who receive HB.
- f. We also think policies that will encourage investment and sustainability of the private rented market are important. In Southwark, we have offered waivers for landlords' licensing fees if they work with us to support homeless households. Incentives such as this encourage landlords to work directly with local authorities to supply accommodation and enter into longer term arrangements.
- g. Southwark also introduced the Gold Standard Charter (GSC) for landlords and managing agents to reward those who are meeting a professional level of service and good practice to their tenants in the private rented sector. Although this scheme is voluntary, it acts as a means for landlords to celebrate high standards where they are achieving them and signals to residents which landlords and agents are trusted to deliver these standards. We believe an expansion of such a scheme London-wide or nationally would encourage a race to the top, setting the expected level for landlords and increasing competition.
- h. Capital funding for investment to purchase or lease accommodation where landlords are seeking to sell is another important approach to be developed. This ask would be to go beyond match funding, and ideally a full grant, given the current constraints Buy-backs are now a significant tool for increasing housing supply given the rising cost in the new build and rental markets. Funding avenues should be further explored with central government, expanding the Mayor's Right to Buy-Back scheme and supporting councils in returning former council homes to council house supply.
- i. Where arrangements can be created to develop new supply the GLA can support the situation by ensuring any grant arrangements do not disincentivise schemes for TA as a result of current funding rules.
- j. We would ask the Government and GLA to use its influence with the Home Office and its provider Clearsprings to improve their approach to procurement, collaboration and standards. The standards provided by Clearsprings have been unacceptable, and there has been little, if any, collaboration with the local authority. Southwark requests greater regulation of an organization which houses so many vulnerable people in our borough.

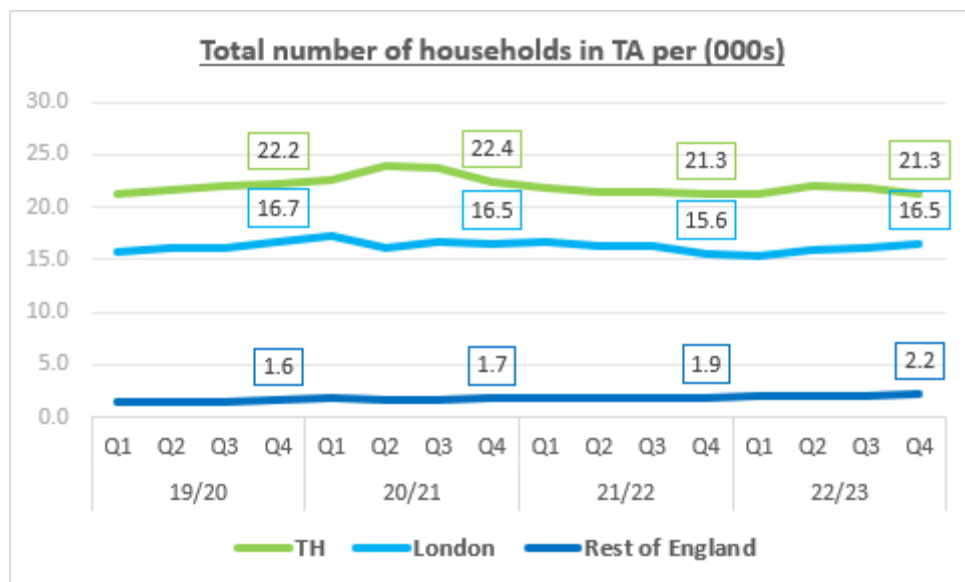
- k. Continue to support boroughs such as Southwark in seeking the addition of a Decent Homes Standard to the Renters Reform Bill, whilst welcoming provisions to end Section 21 ‘no-fault evictions’. Dialogue with landlords across London should be open in this context, ensuring the Bill has a positive impact on standards, tenure and homeless prevention without negatively impacting on levels of supply.
- l. Southwark welcome’s the Mayor’s request for greater powers over rent controls, with rent freezes as a potential option for preventing the escalating rise in private rents – due to shortly exceed £2,700pcm on average.
- m. We also think that government should review policy in the following areas:
 - o Review the welfare benefits provided to residents so that they adequately cover housing costs for people who are in need.
 - o Provide increased emergency funding to support homelessness prevention. This will be through a top up of the Homelessness Prevention Grant. o Further funding is needed with an increase in the Discretionary Housing Payment which will help Southwark to support the increasing number of households approaching the council for support during the current climate where landlords are selling properties on a scale previously unseen.

Tower Hamlets Council

The London Borough of Tower Hamlets has experienced the fastest population growth across England and Wales, it has grown by 56,200 (2.1%) to 310,300 between 2011 and 2022. 23.1% of the borough residents are owner occupiers, while 35.9% live in social rented homes and a further 38.2% live in private rented accommodation.

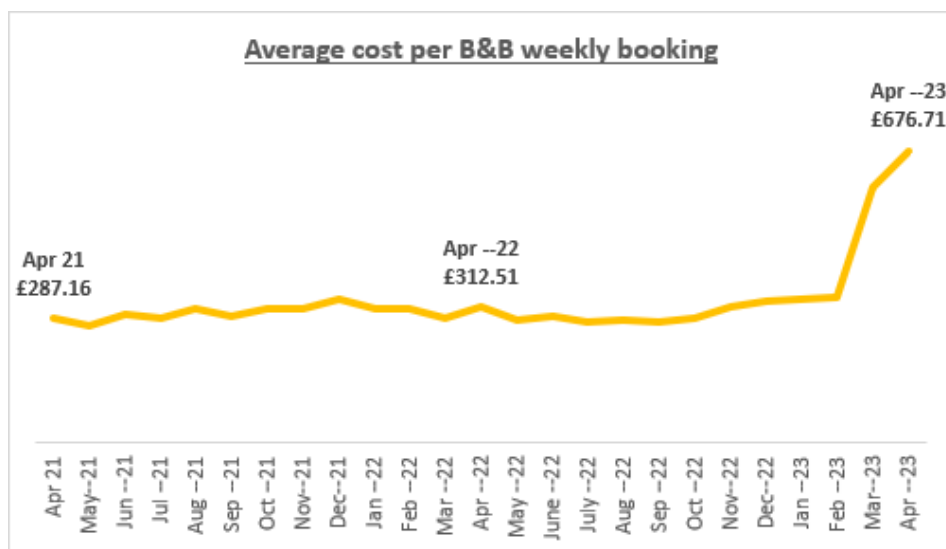
1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

The graph below illustrates the high demand for Temporary Accommodation in Tower Hamlets over the last four full financial years.



(Graph 1: Total number of Households placed in TA 2019/20 – 2022/23. Source: DLUHC Homelessness Statistics and Tower Hamlets Internal Reporting Data)

The costs of using Temporary Accommodation have risen sharply for Tower Hamlets since February 2023, having more than doubled since February 2023 as the Graph 2 below illustrates.



(Graph 2: Average cost per B&B weekly booking April 2021 – April 2023. Source: Tower Hamlets Internal Reporting Data)

There are a variety of reasons that can be attributed to the high demand for Temporary Accommodation in Tower Hamlets, these factors are listed below.

- **Changes arising from the Homelessness Reduction Act (2017)**

Demand for Temporary Accommodation has increased as a wider range of people are owed interim housing duties.

The Homelessness Reduction Act (2017) brought additional assistance and support for those at risk of homelessness - extending the duration of the prevention and relief duty periods - also increasing the pressures on the council and its partner services as the Act has expanded the number of people who the council has a duty to support. Since the implementation of the Homelessness Reduction Act, the use of Temporary Accommodation in Tower Hamlets has increased, as a wider range of people are owed interim housing duties.

The use of Temporary Accommodation is critical to ensuring that no-one is left roofless and since the implementation of the Act, more single people have been allocated Temporary Accommodation.

- **Rising rents in the private rented sector**

Over the last 12 months, private rents have continued to rise in London. The Office for National Statistics (ONS) has reported that London's annual percentage change in private rental prices was 5.3% in the 12 months to June 2023, above the England average and at its highest annual rate since September 2012. ([Index of Private Housing Rental Prices, UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/housing/rental-prices)).

The average rent in Tower Hamlets is £1,773, according to a survey of properties conducted by HMRC's Valuation Office Agency between September 2021 and September 2022. Between

the years ending September 2021 and September 2022, average rents in Tower Hamlets grew by £124. Tower Hamlets' average rent of £1,773 is £827 higher than the £946 average rent in England. Tower Hamlets is the 12th most expensive London borough, (of the 33 London boroughs), based on average rent prices. The average rent growth rate in Tower Hamlets between the years ending September 2021 and September 2022 was 7.5%. If rents continue to grow at this rate, average rents will reach £2,370 by 2025.

- **Short-term lettings**

The growth of short-term lets through companies such as Airbnb has resulted in less properties available for longer term renting. It is estimated that Tower Hamlets has the second largest amount of this type of accommodation across all of the London boroughs.

- **Smaller portfolio holding private landlords exiting the market.**

Small buy to let landlords have been and continue to exit the PRS market. Factors which have contributed to this include tax and regulation changes, higher maintenance and borrowing costs, resulting in the contraction in the supply of PRS accommodation and buy-to-let markets. In some cases, properties are being acquired by portfolio holders who then offer them to local authorities for use as Temporary Accommodation or Private Rented Sector (PRS), but they require guaranteed rents.

2. **What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?**

- **Challenges experienced by clients include:**

- Isolation from family and friends when moved to Temporary Accommodation outside of the borough.
- Longer stays in bed and breakfast accommodation.
- Mental health and other health issues
- Effects on children – families moved into Temporary Accommodation are often forced to change their children's schools.
- Families who chose to leave their children in their current schools, face long travel journeys getting their children to schools.
- People living in Temporary Accommodation face increasing financial hardship.

- **Challenges faced by the council include:**

The level of homelessness continues to rise, leading to an ever-increasing volume of case work where homelessness cannot be prevented. Moving people into settled sustainable accommodation is becoming increasingly difficult, in part this is due to the gap between Local Housing Allowance rates and widening rents. This is presenting a significant challenge to the council as it is an increasingly difficult to cost implication to sustain.

The reduction in supply and the hike in rental prices in the borough has made finding private rental properties for use as temporary accommodation exceptionally difficult and expensive for the council. For some households, the council has had no other option but to pay a portion of the rent through a Discretionary Housing Payment (DHP) or from our Homelessness Prevention Grant. The government has cut the budget for DHPs – from £140m in 2021-22 to £100m in 2022-23, – and using the Homelessness Prevention Grant to meet the costs of temporary accommodation means it cannot be used to help prevent homelessness in the first place.

Although a Pan-London agreement between boroughs exists which prevents boroughs from competing against each other, local authorities must now compete with Clearsprings, a Home Office contractor, who are finding properties to house asylum seekers. The Home Office has the ability not only to pay higher rents but also higher incentive payments to encourage landlords to cooperate.

The chronic shortage of affordable properties in the borough is unfortunately leading to more households being placed in unsuitable B&B accommodation (mainly outside of the borough but within our neighboring boroughs in East London). The borough is seeing a significant volume of statutory breaches and judicial review threats because families are being placed in unsuitable accommodation and/or beyond the statutory 6-week time limit.

The council continues to pay a higher rate to secure whatever accommodation is available than the Pan-London rate set for properties in other boroughs. This has been necessary to ensure that the council remains legally compliant to provide suitable accommodation and to reduce and negate the challenges brought by judicial reviews.

3. How well are pan-London and mayoral initiatives working to increase the supply of good-quality TA and reduce the number of out-of-borough placements?

While Pan-London initiatives were established to secure quality Temporary Accommodation and PRS accommodation, within the borough of Tower Hamlets landlords are reluctant to lease to local authorities due to past negative experiences, such as rent arrears and anti-social behaviour (ASB).

Tower Hamlets are presently purchasing back ex-leasehold properties for use as Temporary Accommodation which has alleviated pressure and is reducing expenditure on Temporary Accommodation. Without these properties, expensive spot purchases from private landlords would be required.

The Pan-London Inter-Borough Accommodation Agreement (IBAA) was designed to prevent boroughs from competing for the same properties. However, due to increased homelessness pressures within the borough, this is no longer effective and has led to rising rents for Temporary Accommodation and PRS accommodation.

While it is acknowledged that schemes are in place to address the cost of living crisis, including those implemented and signposted by the Greater London Authority (GLA): [Help with the cost of living | London City Hall](#) and the Warmer Homes Programme and Advice Service as well as the GLA's funding of financial and welfare advice provision, and the Department for Work and

Pensions Household Support Fund which is administered by local authorities – although this is set to conclude on 31 March 2024 - it is evident that more needs to be done.

Our borough has taken progressive steps, such as building more homes, extending universal free school meals to include children residing in the borough who attend secondary school, up to the age of 16 and Educational Maintenance Allowance.

However, it remains apparent that additional measures are required at national and regional levels to further support low-income families facing the challenges posed by increasing costs of living, inflation, and Local Housing Allowance (LHA) rates.

4. What more can the Mayor, central government, local authorities, and other organisations do to increase the provision of good-quality and affordable TA in London and reduce the number of out-of-borough placements?

To enable an increase in the supply of affordable homes, including local authority acquisition programmes, the government/Mayor of London should **provide additional funding to construct new homes at social, affordable, and LHA rent levels.**

While in recent years, Tower Hamlets has delivered more homes than any other local authority in England, there remains an acute shortage of social homes both in the borough and across London. The Mayor of Tower Hamlets' ambition is to work with developers and housing associations to deliver a minimum of 1000 affordable/social homes for rent per annum, equating to 4,000 new homes over the duration of this administration.

We call on the government and Mayor of London to provide further financial support and to work with local authorities, housing associations and developers to drive forward the delivery of and affordable housing across all London Boroughs which will not only relieve the current housing crisis but will serve to stimulate economic growth and provide job opportunities – alleviating the accommodation pressures and costs which local authorities are grappling with, which is exacerbating rising homelessness approaches and the use of Temporary Accommodation because of the shortage of affordable housing in London and the South East, as a result of the increased costs of renting in the PRS in London. Similarly, **the Mayor of London and the government should look to create initiatives for developers to collaborate with local authorities to use vacant properties for Temporary Accommodation or for PRS accommodation.** In addition, **consideration should be given to the introduction of sanctions or restrictions on the Home Office procurement of self-contained properties (family-sized homes),** as this serves to drive up accommodation costs for local authorities.

To prevent smaller landlords exiting the market / alleviate the shrinkage of the buy-to-let sector, **local authorities should establish long-term leasing arrangements with private landlords, allowing local authorities to use properties as PRS accommodation which will assist the regulation of rents, in a bid to make rents more affordable.** This would contribute to ensuring that more suitably sized properties become available for allocation and in turn reduce overcrowding.

The Mayor of London/the government should **consider providing funding to local authorities to enable them to work with landlords to improve the quality of accommodation or to provide grants for property improvements, including energy efficiency.** Closer collaboration between the Mayor, central government, and local authorities

is needed to **address the stigma of housing homeless households on benefits and to improve partnerships with small landlords.**

The Mayor of London should also consider **providing free train travel to children who have been placed in Temporary Accommodation outside of the borough that they were made homeless from** (for children aged 11-19 in full time education) as this age group incur a child rate charge on train fares on the Tube, DLR, Elizabeth and Overground Lines. This would contribute to reducing the financial pressure on households who are already struggling with the cost of living crisis.

The Mayor of London and the government need to **provide local authorities with additional funding to support households struggling with rents above LHA rates with more financial support in this continued cost-of-living crisis.**

Rents in the PRS need to be stabilised and competition among the London boroughs needs to be reduced. In order to do so, **the government urgently needs to review and align Local Housing Allowance (LHA) rates with market rates to help local authorities procure more Temporary Accommodation.** Without delay, the government must **review the 2011 LHA subsidy cap as local authorities are subsidising higher Temporary Accommodation costs.**

The Mayor of London and the government need to **introduce rent controls in London - by capping rents for private tenancies at LHA rates. The regulation of short-term lets (e.g., Airbnb)** is much needed and there needs to be thought given to reducing the number of Houses in Multiple Occupation (HMO) licenses to maintain a supply of family-sized homes at affordable rents. **The number of licences issued for HMOs needs to be reduced** as the increasing number of HMOs is decreasing the availability of family-sized accommodation.

Short term lettings (AirBnB) impact on the availability of homes to buy and rent in this borough and on the sustainability of local communities, pricing local people out as rental prices are increased and supply is diminished. The government's proposal of a register of short-term lets is welcomed (as currently being brought forward in legislation via the Levelling Up and Regeneration Bill). The register will provide valuable information to help local authorities manage the housing market impact of high numbers of short-term lets and to apply and enforce the use class changes. **The Mayor of London needs to apply pressure on the government to ensure that the register commences at the earliest opportunity and that local authorities have the enforcement powers and resources to do so.**

While measures in the recently published Renters Reform Bill are welcomed which intend to end assured and assured shorthold tenancies, to provide greater security to private tenants – replacing them with periodic assured tenancies - with rent increases to be limited to once every year to market prices, these measures will not come soon enough. **Action is needed by the government now to cap rents to LHA rates to encourage reductions in private rent levels.** The **Mayor of London and GLA need to use their lobbying powers to influence the government as the Renters Reform Bill progresses Parliament.**

The Mayor of London and local authorities need to **work together to explore and increase alternative routes for the procurement of TA and PRS accommodation.** This could be achieved by **creating a Pan-London initiative to procure accommodation, set rents, and which will serve to reduce private rent sector rent levels.**

The Mayor, government and local authorities should work together to **establish new corridors for local authorities to access vacant properties across London and beyond.** Local authorities need **increased funding provision to support them in the expansion of**

their Temporary Accommodation and PRS accommodation supply and in the exploration of innovative initiatives for private landlords to provide accommodation. The government must **review the benefit cap to ensure households can afford PRS accommodation in light of the cost-of-living crisis**. Again, the government have indicated that the Renters Reform Bill intends to **make it illegal for landlords and agents to have blanket bans on renting to tenants in receipt of benefits or families with children**, this is presently not within the Bill in its current form and may come at a later date with legislation to follow. **The Mayor and local authorities need to hold the government to this promise and push that such legislation is brought forward expeditiously**. This needs to be supported by robust measures to prevent landlords from refusing households on benefits. Rents for single-person households also need to be regulated to ensure affordable access to accommodation.

West London Housing Partnership (WLHP)

Call for Evidence: Temporary Accommodation – West London submission

1.0 About West London's Housing Partnership

The West London Housing Partnership brings together the boroughs of Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow and Kensington & Chelsea. By working together across the West London subregion, we are better able to identify trends, common challenges and pool resources to meet these, and deliver services that meet the needs of our populations. Most West London boroughs are also members of the West London Alliance (WLA).

The WLA hosts the Setting the Standard team, which operates on a pan-London basis to inspect and assure the quality of temporary accommodation used by local authorities. The Inter Borough Accommodation Agreement (IBAA) is also monitored through the team to try to ensure best value for money for the taxpayer by reducing the risks of competing demands for temporary accommodation from different boroughs driving up the costs for everyone.

2.0 Context

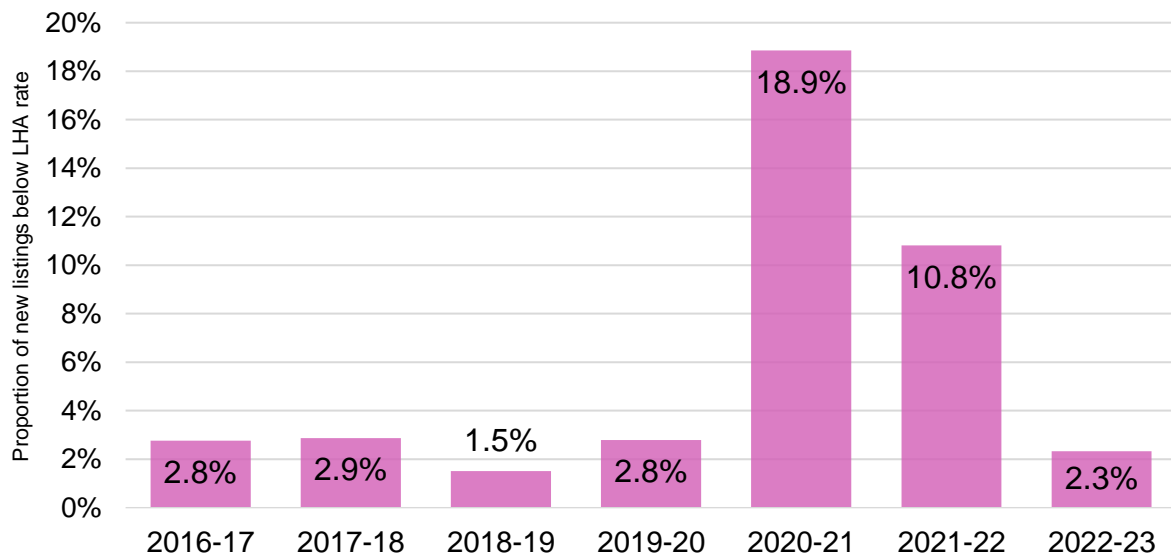
Setting the context in which West London boroughs operate is important, before addressing the specific questions in the call for evidence.

Borough's ability to act on behalf of people applying for housing assistance is impacted by a range of government policies, in particular DWP, The Treasury and the Home Office.

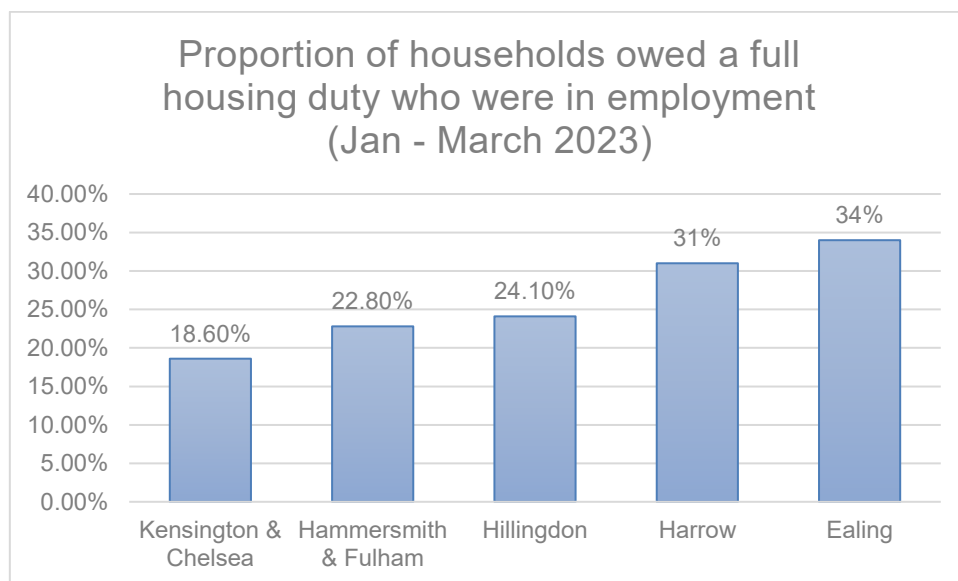
2.1 Lack of affordable Private Rented Sector (PRS) accommodation

Welfare benefits policy is out of step with the London housing market. Different aspects of welfare benefits policy combine to create a "double whammy" for households in London. LHA rates, that set the maximum rents that will be paid through benefits, have not been updated since 2020 (to cover the lowest 30th percentile of market rents). Since then, market rent have risen significantly. The freeze on LHA rates makes it increasingly difficult for local authorities and individual families to find accommodation where LHA rates cover the rents charged. This is driving homelessness demands as families can no longer afford to live in properties they may have started to rent some years ago.

London Councils analysis shows that less than 3 per cent of private rented sector properties listed for rent were below the LHA rate which had been frozen for some years. When this was uplifted to the lowest 30th percentile of the market in 2020, the number of listings under LHA rates increased to 18.9%. However, this had fallen again to just over two per cent by 2022/23 as market rents increased but the LHA rate remained frozen at 2020 levels:



This particularly affects households who are in work, but who need assistance to cover private rented sector rents. In the period January to March 2023, around one fifth to one third of households who were owed a full housing duty were in employment:



The "double whammy" comes from the benefits cap, which sets the maximum amount of benefits a family can receive. This is £25,323 a year (in 2023) for a family with children in London. This amount includes housing costs met through benefits. For those who are unable to work, rent levels, even where LHA rates are paid, mean that it is impossible to find PRS accommodation where they can afford to live in many areas of West London:

Broad Rental Market Area	2 bed property		3 bed property	
	Inner West London	North West London	Inner West London	North West London
LHA rate (per month)	£1475	£1250	£1920	£1545
Rent costs (for a year)	£17,700	£15,000	£23,040	£18540
Benefits cap for 2023	£25,323 a year	£25,323 a year	£25,323 a year	£25,323 a year
Remaining money to live on for a year after rent	£7,623	£10,323	£2,283	£6783
Remaining money to live on each month after rent	£635.25	£860.25	£190.25	£565.25
Remaining money to live on each week after rent	£146.60	£198.52	£43.90	£130.44

2.2 Inadequate TA subsidy

TA Subsidy is based on outdated January 2011 rates for Local Housing Allowances. Subsidy is paid at the lowest of (i) weekly HB entitlement; (ii) 90% of the relevant (i.e. property size/Broad Rental Market Area) January 2011 LHA rate (iii) an upper cap which is £500 for central and all inner London BRMAs (and £375 for most outer London BRMAs). Expenditure over these limits attracts no subsidy.

Using LHA rates from January 2011 as the basis for calculating TA subsidy exacerbates this situation and means LAs, who have no choice but to exceed these outdated rates are losing millions of pounds in subsidy loss.

However, for some London boroughs, the capped subsidy rates for 1-3 beds in the Central London BRMA, despite being set some time ago, are still higher than the current LHA rates. It is very important TA subsidy does not reduce in these areas. Borough's core demand remains for 2 and 3 beds so this is an important issue for all boroughs that fall into the Central London BRMA.

Central London	TA subsidy (90% Jan 11)	Current LHA
1 bed	£333.00	£295.49
2 bed	£493.29	£365.92
3 bed	£500.00	£441.86
4 bed	£500.00	£593.75

Even where the caps and TA subsidy rates exceed current LHA rates, boroughs continue to struggle to find TA in their areas.

Many are having to use funds such as HPG to cover overspends when that money needs to be used for other areas of business in terms of preventing homelessness.

Councils are under immense pressure due to the number of people presenting as homeless and the demand for accommodation, which is simply not there - and what supply there is so expensive to acquire. Many West London boroughs are exceeding their TA budgets. The risks of councils going bust due to these pressures was raised at the Conservative Party Conference earlier this month.

2.3 Limited market power

Implementing the IBAA takes collective action and resolve. A recent demand for a flat rate increase (on top of the recently agreed 10% uplift to the IBAA) from a provider was declined by West London boroughs. The provider was advised consideration of further increases would only be made after all their buildings were registered on the Setting the Standard (STS) portal (with assistance offered).

Suppliers know that councils are having to use commercial hotels as they cannot find sufficient accommodation to meet needs. This means that the IBAA rates for shared facilities accommodation are becoming less relevant and harder to achieve. One West London borough increased their rate for a double room to £33 per night, but suppliers are now asking for £100 per night for a double because they know it is cheaper than commercials and that councils are so desperate. Local authorities are increasingly taking rooms on at these rates, despite considerable financial losses in subsidy returns.

There is increasing competition for the accommodation used by LAs as TA from different sources. These include the Home Office and the Ministry of Justice's Probation Service CAS3 accommodation procurement program. At a recent discussion with the Home Office and their contractor Clear Springs it was noted that they had offered to make more information available on when they had breached the IBAA, but did not commit to avoiding future breaches.

A number of TA providers have said they can receive higher rates by letting to the Home Office for their use. One major provider has recently approached West London authorities to ask for LHA rates + £120 per week. One local authority has 50 families placed in their accommodation, but these rent levels are unaffordable for both the local authorities and the family. The landlord has said the Home Office will meet these demands which are far in excess of the IBAA rates.

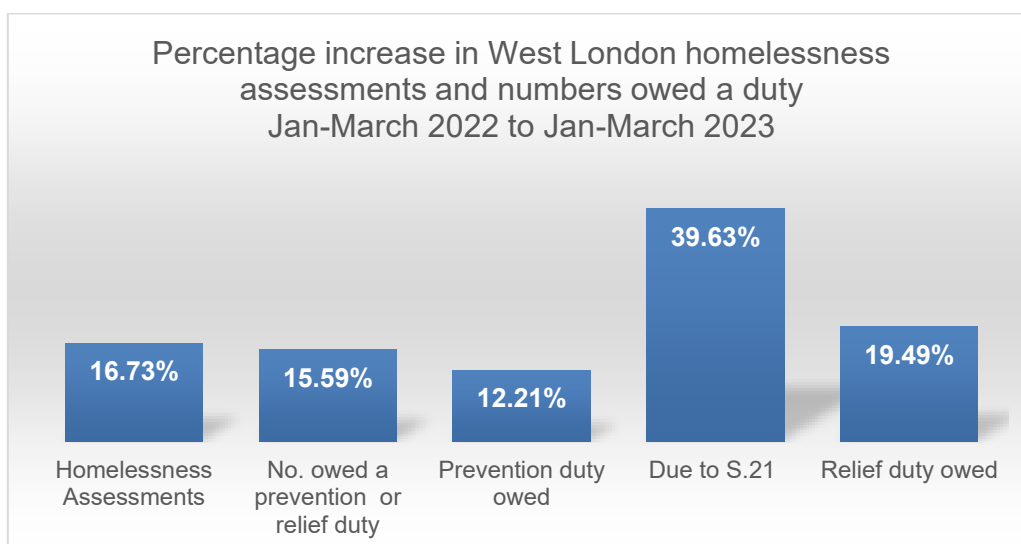
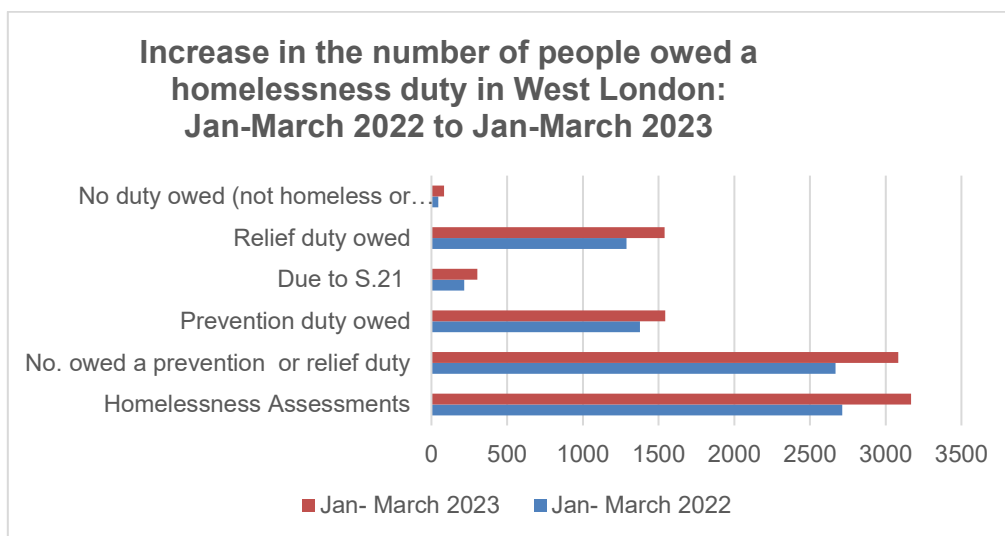
The result has been for some boroughs to have notices served and the families in that provider's properties have had to be found alternative temporary accommodation. This causes them disruption and inconvenience and may result in families being moved into non self-contained accommodation for a period.

Whilst we are committed to taking this course of action – the right course of action – and working collaboratively, this exemplifies the relative lack of market powers boroughs can exercise in the current housing crisis. A situation being exacerbated by other government department's policies and actions.

Q1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

West London boroughs are reporting unprecedented demands for temporary accommodation over the last 6 months, with significant increases in the number of families and individuals presenting for homelessness assistance.

These changes are demonstrated by a comparison between the number of assessments and homelessness duties accepted from Jan- March 2022 to Jan – March 2023:



The significant increase in the proportion of homelessness prevention duties arising as a result of a valid S.21 notice being served evidences a number of the drivers described below.

The increase in numbers of households owed a relief duty is almost 20%. This in part reflects the challenges LAs face in preventing homelessness due to a very tight housing market and cost of living crisis. It also demonstrates the increased pressure on LAs to secure TA.

Where it is not possible to prevent homelessness, those owed a relief duty, including the provision of interim accommodation, and those owed the main housing duty, require TA to be arranged.

Q1.1 Increased presentations in West London are being driven by:

- **The growing gap between LHA rates and market rents** – resulting in PRS landlords serving notice on families, even where they may have been good tenants for some years. Some landlords are themselves facing increased costs associated with increased interest rates; others are benefiting as the gap between demand and supply drives up market rents.

- **The benefits cap** means some households cannot afford PRS rents in London and cannot find alternative accommodation when ASTs end.
- **The Ukrainian resettlement scheme** has increased pressures where arrangements have broken down, or hosts have been unable or unwilling to commit to longer periods of support. To 31st August 2023, five West London boroughs had accepted a prevention or relief duty to 271 Ukrainian households. The majority, 192 households, were families with dependent children.
- **Afghan resettlement schemes** are now resulting in increased presentations.
 - The main Afghan diaspora is based within West London boroughs. Some families have found their own PRS accommodation in West London to be close to family and community members. However, once initial grants and financial support ends, they have been unable to afford the accommodation where rents are above LHA rates, or the benefit cap begins to impact. They are now making homelessness applications to West London boroughs.
 - As the Afghan hotels close, families who have not been matched to LAHF properties are also presenting to West London authorities. Some have been in bridging hotels outside London but wish to be accommodated in West London.
 - The Home Office has advised that visas for Afghan households in third countries will start to be issued following the closure of the hotels. Although they have committed not to arrange flights for people unless they have accommodation arranged, some people will make their own arrangements and will further increase demands.
 - A number of these families are very large and boroughs have been unable to secure accommodation in a single property, or in the local area.
 - Where offers of TA (or sometimes accommodation to relieve homelessness or fulfil the main housing duty) are declined for these reasons, the only option is to place families in commercial hotels.
- **Syrian refugee crisis**
 - The demands on a number of West London boroughs from the initial Syrian crisis was significant as they had significant established Syrian populations.
- **Sudanese refugee emergency**
 - There have been recent presentations from Sudanese households, although the numbers are relatively low compared to other groups.
 - The practices of some LAs with ports of arrival has increased pressures on London boroughs as they placed new arrivals in West London hotels for relatively short periods and advised them to approach those local authorities for assistance.
- **Family household size and complexity**
 - A number of refugee households are relatively large and may be multi-generational. The size of accommodation needed by these households is very difficult to find in London. One borough recently had a 9-person household which was very difficult to accommodate.
 - A number of the households include family members who have disabilities and complex medical conditions which require adapted properties, including

TA. Again, this is very challenging to secure and sometimes results in boroughs having no option but to place people in commercial hotels. Some boroughs have also had to split families between two properties; in some cases, it has not been possible to provide accommodation in close proximity increasing pressures on the main carers.

- **The location of Heathrow**, the main port of entry into the UK, has also been a factor increasing demands for homelessness assistance from new arrivals and demand for TA in West London. This has had an impact recently with families and single people fleeing the war in Sudan.
- **Streamlined Asylum Process (SAP) & cessation of support.** The Home Office has introduced the SAP to reduce the backlog of asylum cases being accommodated in hotels. They have also started to robustly enforce the policy whereby support and accommodation ceases 28 days after a positive decision. In practice, Biometric Residence Permits (needed to access benefits etc.) are not always issued with decision letters, and there are delays in communicating decisions to the accommodation providers. This is resulting in local authorities having increased numbers of people (families and single households) presenting without a BRP and with just 7 days' Notice to Vacate their accommodation. It is very difficult to prevent homelessness in this case. Whilst many of the single applicants do not meet S.188(3) thresholds for interim accommodation to be provided, a significant number are thought to be in priority need. This is further driving demand for TA.
- **The ending of the embargo on evictions within the PRS.** As the Covid-19 pandemic embargo on evictions has ended, a number of households have been served notice on their ASTs in a concentrated period of time. This "market correction" reflects the increasing gap between LHA rates (frozen at 2020 levels) and current market rents. This sudden increase in presentations has made it very hard for LAs to secure the TA pipelines required, and increased reliance on commercial hotels.
- **Landlords exiting the TA rental market:** Taxation changes (removing mortgage interest relief from landlords) came into effect in April 2020 and reduced the margins landlords can make. This has resulted in some landlords exiting the market and selling their properties, or increasing rents to maintain profitability, which renders them unaffordable to LAs. A more recent driver has been landlords' concerns about rising interest rates and increased mortgage costs. Again, landlords are seeking to sell their properties or leave the TA market by demanding market rents that LAs (and families facing homelessness) cannot afford as they are significantly above current LHA rates, frozen since 2020. *The number of households threatened with homelessness by the service of a valid S.21 notice increased by nearly 40% between Jan- March 2022 and Jan – March 2023*
- **The Domestic Abuse Act 2021:** This legislation, whilst largely welcomed and positively received has increased the pressures on LAs as the definitions have been broadened (rightly) and all eligible homeless victims of domestic abuse now automatically have 'priority need' for homelessness assistance.
- **The cost of living crisis:** This has made it increasingly difficult for families on low incomes to balance the rising costs of food, energy and travel with the rise in market rents. This is pushing people into crisis and increasing the numbers in unaffordable

accommodation, threatened with homelessness, who cannot secure accommodation without the assistance of local authorities.

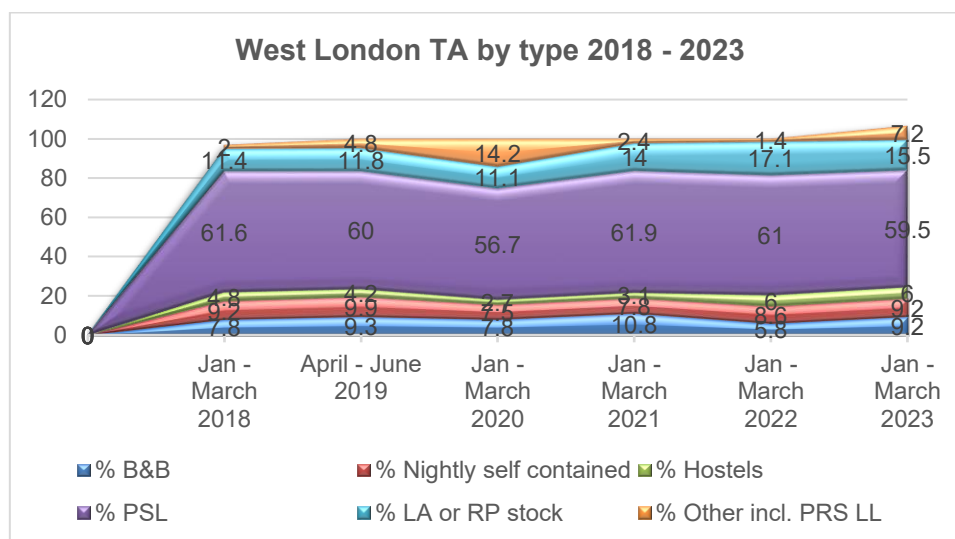
Q1.2 Changes in type of TA being used.

Although West London boroughs have historical and long-term TA in private sector leased arrangements, the proportion of this has been steadily declining over the last three years. Furthermore, **much of that leased TA is not available to meet the needs of newly homeless families**, as it is already occupied and has been for – in some cases – many years.

Data from West London boroughs shows that households are in TA for many months and years.

One **outer West London** borough reported that families who were rehoused from TA between April 2022 and March 2023 had been in TA for over 5 years (5.18 years for a family with 1 child and 5.06 years for a family with 2 children). Of those still in TA in September 2023, a family with 1 child had been living in TA for 3.47 years and a family with 2 children for 3.88 years.

The time in TA for families in an inner West London borough was 6 years and 1 month for those needing a 2 bed property and 9 years and 5 months for those needing a 3 bed property.



Despite the significant rises in the proportion of TA in shared B&B and commercial hotels being reported by boroughs, current pressures are not yet fully reflected in the data on types of TA. However, between Jan to March 2022 and Jan to March 2023:

- The proportion of B&B accommodation with shared facilities has increased by 59% from 5.8% to 9.2%
- The proportion of “other” accommodation (which includes commercial hotels) has increased from 1.4% to 7.2% (the highest level since the pandemic)

Q1.3 Demands from landlords to hand back leased properties

An increase in requests for properties to be handed back are reported across West London boroughs. At a meeting of West London TA Managers in September 2023, **over 430**

properties were under notice of hand back at that time. One LA is being threatened with legal action including demands for compensation as they have been unable to give vacant possession as they have nowhere for the families to move. One local authority has a target of retaining 80% of its PSL properties but is struggling to meet this.

Q1.4 Lack of supply/ reliance on commercial hotels

Boroughs are reporting increasing reliance on commercial hotels as they are unable to procure even B&B and nightly paid accommodation. One borough reported calling round commercial hotels looking for rooms with families in the office with their belongings, increasingly stressed and anxious.

With even B&B accommodation difficult to find, one West London borough has 50 families in B&B outside London.

Q2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Q2.1 Disruption and uncertainty for families:

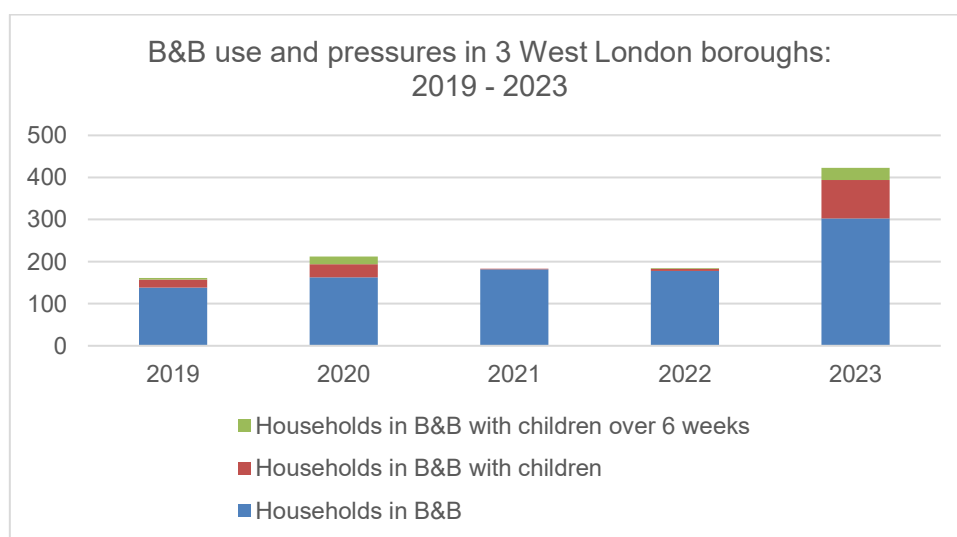
The demands to hand back PSL properties to the landlords mean disrupting hundreds of families whilst new TA is secured; at present this may mean interim stays in hotels.

Those families who have presented recently are increasingly being accommodated in B&Bs and commercial hotels. These have limited/ shared or no cooking facilities which impacts on physical health especially the ability to eat nutritious food.

The lack of certainty about how long people will be in different accommodation, and the possibility of having to move impacts on families’ emotional resilience and mental health. Local authority staff are struggling to provide the support people who feel powerless, frustrated and hopeless need. This in turn is driving staff burnout and turnover, creating more stretch in the system and less support and continuity of care for homeless families.

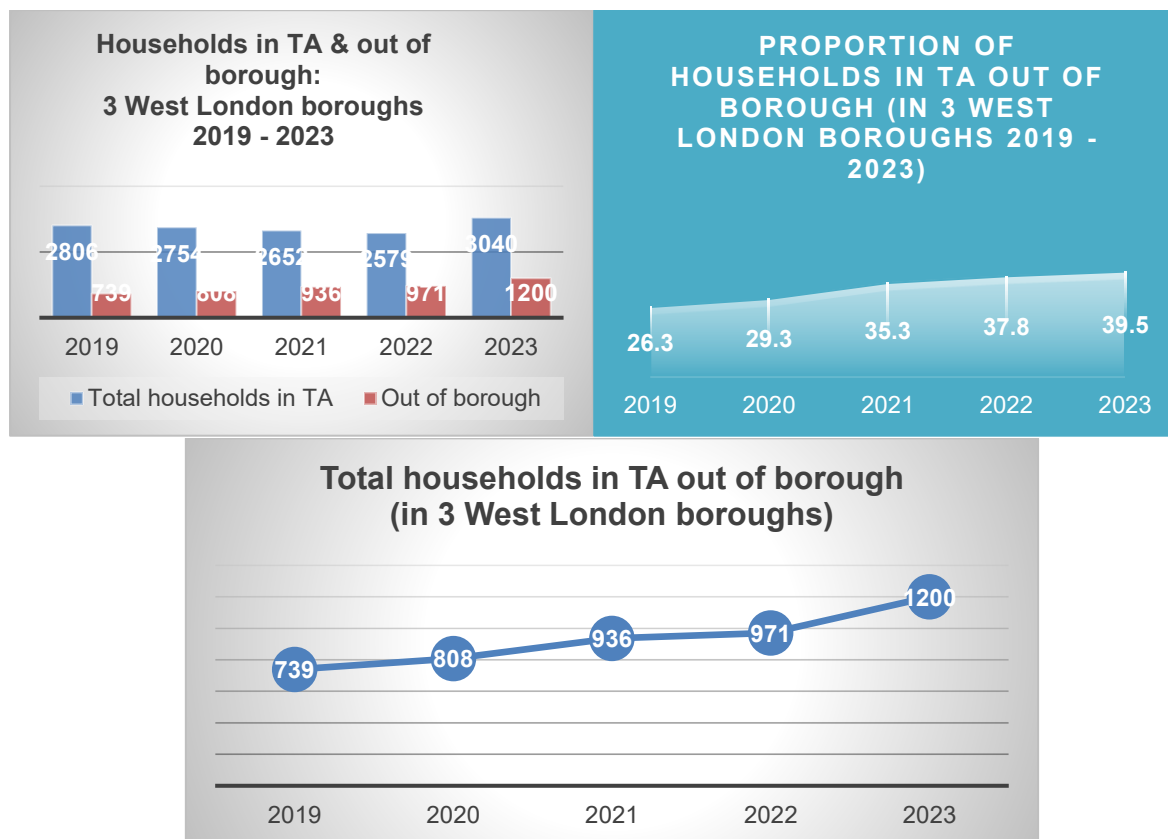
Q2.2 Increased number of children and length of stays in B&B:

Where we have data for the last five years, the recent increased use of B&B with shared facilities is stark – especially the number of households with children, and the numbers in B&B for over six weeks:



Q2.3 More people accommodated outside the borough/ London:

The lack of affordable accommodation in the PRS has resulted in more people being placed in TA outside their borough, and increasingly outside London (and the “home counties”). The graphs below demonstrate the growth in families placed out of borough over the last five years:



TA outside boroughs disrupts people’s support networks, impacts on children’s journeys to school and their education and longer term prospects can be adversely affected. As the placements are temporary it is difficult psychologically for families to invest in the new areas and build networks or secure employment, if they feel they may be moved again.

Q2.4 Impacts on children’s education

Several boroughs are reporting a massive increase in Children missing education, especially those placed in TA which is outside the borough and/or provides limited space for study. This is impacting school education provision and costs, as well as impacting children’s ability to learn when travelling longer distances.

Q2.5 Quality of accommodation

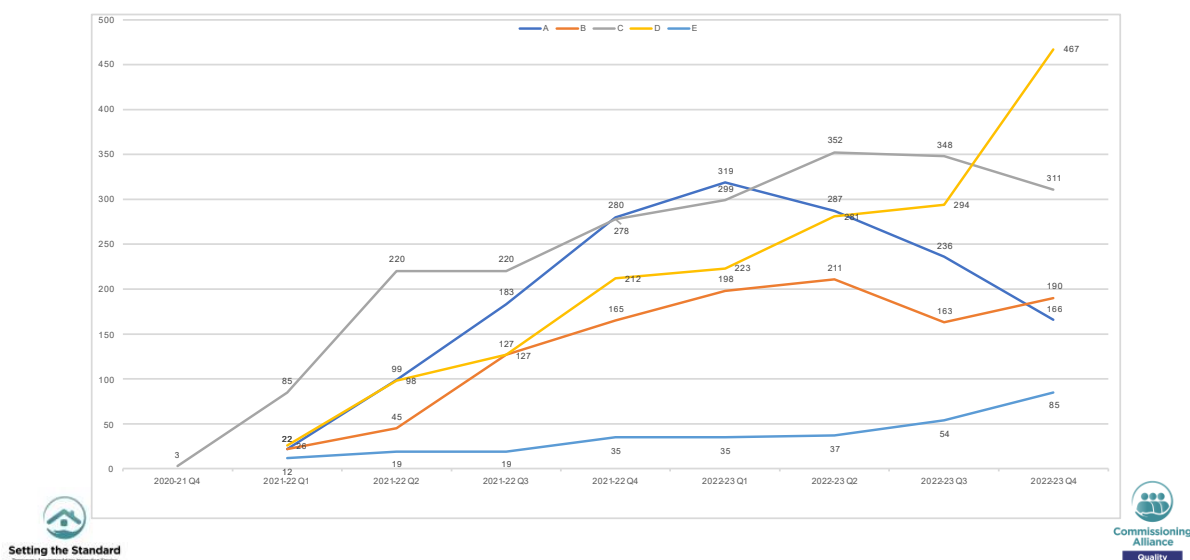
The West London Alliance hosts the Setting the Standard service, which registers and inspects TA used by the majority of London boroughs. As described in the context section, competition for accommodation from other government departments, predominantly the Home Office, and potential tenants who can afford market rents, reduces the market power of the boroughs.

It is not mandatory for landlords to register, although it is strongly encouraged. Where landlords don't register, they are ungraded. Properties that have been registered but not yet been inspected by STS, are rated "U" or "W": the quality of these properties are unknown (although some do have their own internal inspection arrangements).

Properties that have not provided documentation to confirm they are safe (i.e. gas, electrical, fire safety certificates) or where a category 2 hazard has been identified in inspection are graded "D". An increasing number of boroughs are placing families into category D properties. Of greater concern is the increase in placements made into properties rated E – where hazards, safety concerns and repairs have been noted and not resolved.

Damp and mould are particular issues in TA, with both category 1 damp and mould and a higher number of lower category damp and mould cases reported. Boroughs are pushing landlords to address underlying repair and ventilation issues that are contributing to the situation. Some landlords are suggesting tenants' use of the property is a contributing factor. In a cost of living crisis, asking tenants to open windows and keep the heating on is unacceptable, and many properties have inadequate storage for tenants' possessions which also impacts on air circulation.

Number of placements into STS registered accommodation by build grade, between January 2020 and March 2023

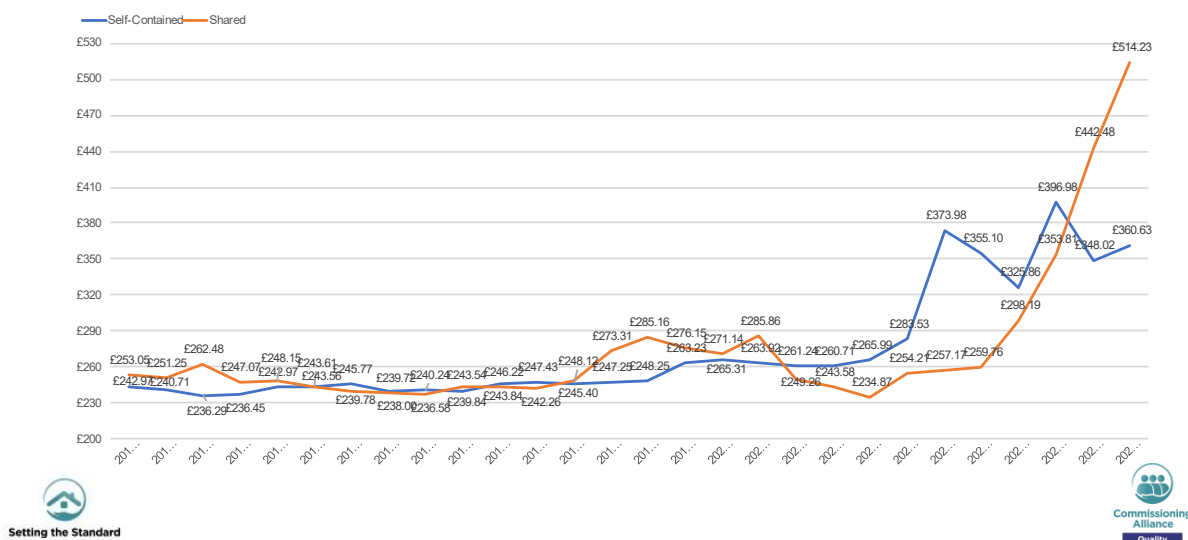


At present, the IBAA rates are not differentiated for quality of property, only size. This does not incentivise some landlords to improve their properties – and the better standard properties are those that can be let privately at market rents.

Q2.6 Costs of TA

The costs of TA are increasing significantly. The use of commercial hotels is pushing up costs further.

Studio & Shared (B&B) Average Weekly Rates



Q2.7 Other costs arising from the TA crisis

A number of West London boroughs have reported an increase in suitability challenges and Judicial Reviews from solicitors because of the housing crisis. Councils are sometimes powerless to avoid incurring significant legal costs because there is nowhere to move a household to.

Q3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Q3.1 Setting the Standards

Setting the Standards, hosted by the WLA, works for the majority of London boroughs to assure the quality of TA used for nightly lets. The team of qualified surveyors and environmental health officers register buildings and undertake inspections of all the units used for TA. Properties are rated from A to E, with A the best quality and E rated properties being found to have at least a category one hazard. Properties rated D are those which have not provided the documentation required to ensure they are safe or where a category two hazard has been identified and needs to be rectified):

- No boroughs should ideally place in properties rated D, although many are found to be safe and meeting standards once inspected.
- No boroughs should be using properties rated E as they are known not to meet standards. Occupants should be moved out and found alternative accommodation unless the hazard can be rectified immediately.

However, pressures on boroughs and the other options landlords have to let their properties elsewhere are making it difficult to enforce these standards.

In some cases, where boroughs have said they will not continue to use properties rated D or E, landlords have undertaken works to comply.

West London boroughs have worked collaboratively to try to exercise greater market power and encourage landlords to register with STS and meet standards. The West London boroughs have also reached out to other boroughs using the same provider. However, in the last 2 months, this focus on linking standards to considering increased rates has seen landlords serving notice on boroughs (around 100 properties from one provider). This requires them to find new TA for the families in the affected properties.

Q3.2 Inter Borough Accommodation Agreement (IBAA)

The IBAA was designed to cover all placements in TA and subsequently the private rented sector used by boroughs. It supports boroughs' commitment to deliver value for [public] money and avoid inflating the costs of TA procured from private providers. It was uplifted by 10% from April 2023, although West London boroughs have had requests for further fee increases beyond these.

Boroughs are experiencing increased demands and have to balance fulfilling their statutory duties and complying with the IBAA rates.

These pressures are increasing the number of breaches of the IBAA rates.

To some extent, the IBAA is now a recording a tool and is unable to enforce the rates due to the imbalance in the market for TA. There are no draconian penalties for breaching and the pressures on boroughs who need to secure TA to meet their statutory duties is acute.

The IBAA was not designed to include commercial hotels – and these costs are significantly in excess of agreed nightly rates.

Q4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Q4.1 Increase supply of self-contained TA

We need the GLA to make temporary accommodation a housing type in the London Plan (like student accommodation, DMR or rent to buy). It needs to have space standards and the ability to have some flex in the rent setting and be classed as affordable housing type which could draw down grant.

Some boroughs have tried to increase TA supply by purchasing new build properties from a registered provider. However, planning had significant problems in agreeing the unit rent rules, because there is no category that new build temporary accommodation schemes sit in. New build TA needs to be flexible and include which can be large studios for households alongside standard bedroom size units. Only if this type of TA is included in the London Plan as a development type will LAs be able to engage contractors and developers to actively consider work in partnership with them.

A range of initiatives are being explored by West London (and other) boroughs, including:

- REITs (real estate investment trust) options. A private provider will purchase properties for boroughs and lease them to the LA for 10+ years. They are let to households on ASTs. Letting on ASTs mean they need to be on rents within LHA rates. There are risks associated with this model as lease costs are linked to inflation, which may not be matched by LHA rate increases. Some models commit LAs to longer lease periods, but at the end of the period ownership of the units is

transferred. There are also issues of affordability – such schemes will not be suitable for families affected by the benefits cap.

- Buying properties directly
- Identifying and using caretaker units
- Using regeneration voids – although these do need to be decanted when they are required for works.
- Use of meanwhile sites
- Retail to residential conversions

Providing capital funding to allow boroughs to purchase/convert properties to TA, or bring units back into lettable condition and reduce over-reliance on a profit driven private sector is key. The GLA should consider:

- Making designated grants/ funding available to purchase TA
- Supporting the use of Right to Buy receipts to purchase TA
- Agreeing that RSAP can be used to fund TA

Q4.2 Revenue funding: standards and support

At a meeting of the Health Devolution Commission on 14th September, noting the strong evidence base for the link between housing standards and health, Lord Best called for LAs to enforce standards in the private rented sector and prevent those properties which did not meet standards from being let: [Health Devolution Commission - YouTube](#) (from 56 min & 25 sec). In the current housing market in London, this feels aspirational and risks further increasing homelessness in the capital.

However, resources for effective regulation and enforcement and the alignment of funding (both LA grants and LHA rates) is necessary:

- There should be a correlation of payments to providers based on quality of accommodation – with only A/B standard properties being paid the maximum rate.
- There also needs to be legal/statutory requirement for providers to make properties available for inspection and engage with inspection reports greater resources. Due to market pressures, even where these exist in LA's procurement frameworks, they are hard to enforce.

An increasing number of families – as well as single homeless people who meet priority need thresholds – require support whilst in TA. Funding to facilitate more supported TA and floating support is needed.

Q4.3 Consistent PRS licensing & HMO controls

GLA needs to assist borough PRS licencing schemes to be more consistent across London.

The creation of multiple HMOs is changing the landscape and resulting in the loss of family housing for the greater multiple room rate profits, often poor standards and overcrowding of HMOs. This impacts detrimentally on communities – from less children living locally impacting on schools, to demands on other council services.

We therefore need to explore GLA policy/rules and support for councils to instigate borough wide, potentially time limited, article 4 rules on stopping future HMO developments. There may be potential to achieve this through the implementation of the Supported Housing Regulation Act, where support exempt rents are charged.

Q4.4 Join up policy between government departments

Welfare policy: There is a need to increase LHA rates – to reduce the numbers of new families pushed into homelessness because LHA rates have not kept pace with market rents. The interaction between increased LHA rates and the benefits cap needs to be reviewed and the benefits cap up-rated to take into account higher LHA rates.

There are costs to the public purse of not taking this action – West London boroughs are predicting significant overspends on their TA budgets as a result of increased use of commercial hotels and the costs of poor health associated with long stays in B&B increase demands on DHSC budgets

Consistency of standards and practice: All public bodies (LAs, Home Office or MoJ) utilising privately owned accommodation (whether leased or in hotels) should abide by the same standards and pricing. Landlords frequently state they can get higher prices for the same accommodation from the Home Office who are not requiring the provision to be at the same standards. There is a business rationale for landlords to contract with the Home Office rather than let their accommodation for homeless families.

Suitability Order: Until and unless significant additional resources are made available to LAs to secure suitable TA, some LAs feel the 6-week rule may need to be revised to avoid the time and cost associated with legal challenges. LAs understand the unsuitability of B&B accommodation and its impacts upon families. However, a more realistic 15-20 weeks period would ensure LAs were able to focus efforts on supporting families and securing accommodation, rather than expending resources on responding to legal challenges. At the present time, the reality is that some families are unavoidably waiting in B&B accommodation for 3 – 4 months before suitable TA can be provided.

Conclusion

The key to addressing homelessness will be to build more homes, and specifically more affordable socially rented accommodation, to ensure West London's current and future citizens can live productive, contributing, thriving lives.

In the shorter term, however, addressing the affordability traps in the benefits system and the escalating costs that arise from competition between government departments for the same scarce accommodation resources is essential.

Westminster City Council

Temporary Accommodation



1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

The reasons for the high demand for TA in London are distinct but interrelated and all have peaked in sync to put extreme pressure on the system.

There are largely 3 elements driving this pressure:

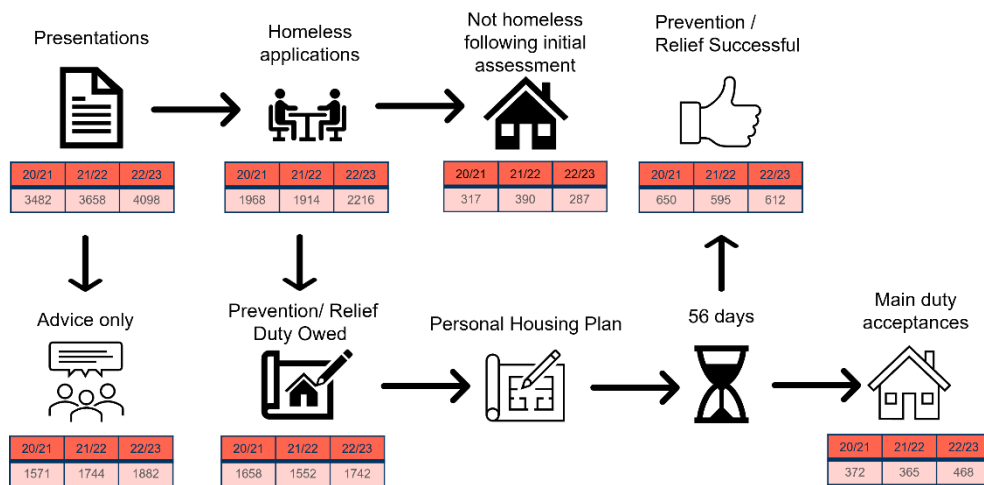
- Increasing gap between PRS rents and LHA rates;
- Reduced availability of properties in PRS (and resulting reduced affordability);
- Lack of affordable and/or social housing to place people (with further pressure due to reduced PRS market).

The availability of private rented sector accommodation affordable to households on low incomes is very limited whether for households to find properties themselves, for local authority to prevent homelessness or for TA. This availability is reducing both through private landlords increasing rents to above LHA levels, and private landlords leaving the market – with factors such as the pull of the STL market, increased interest rates and a less favourable tax regime accelerating this.

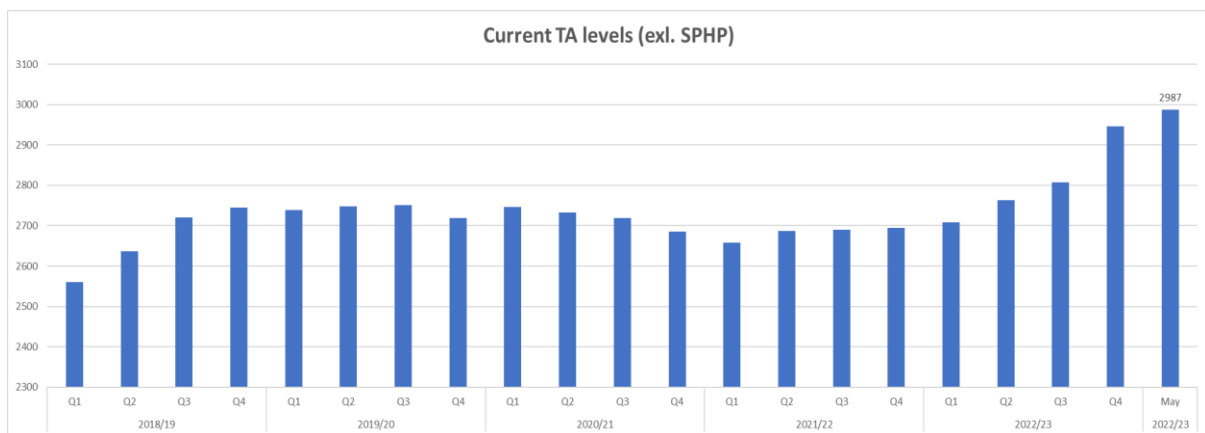
There has not been a change to the main causes of homelessness, which continue to be: the loss of a private rented sector tenancy; family and household breakdown; and domestic abuse. The loss of private sector housing is the largest of the three (c.1900 applications between 2018-2022) and is spiking most notably – as the gap between LHA rates and private sector rents continue to grow more people are pushed to seek support from the Council. This has been sped up slightly more by disruption to the local housing market by the respective schemes for Afghan, Sudanese and Ukrainian households but in our view this is marginal.

The gap between the LHA rate and 30th percentile rent in Westminster is now £165.51 p/w for a one bed property (56%) and growing, all the way up to a £605.25 p/w difference for a 4-bed property. As a result, more households are approaching local authorities as homeless with limited alternative housing – but there are not necessarily quick solutions to offer. For social housing in Westminster the average waiting time for a 2-bed property Westminster

is 120 months, for a 4-bed property this increases to 300 months.



The growth in pressure means that our current 2023/24 forecast for gross expenditure on TA is already £11.5m higher than the outturn for 2022/23. This reflects a budget pressure of £9.5m (with budget growth of £7m having already been built into the Council’s MTFP for TA). The projection for 2024/25 indicates that the Council’s TA budget pressure is likely to further double.



This rise comes in tandem with a steadily declining bedrock of available social housing, as the great majority of social housing lettings are to homeless households, which means that there is very limited scope to increase numbers moving out of TA into social housing. We also have a high demand on social housing from existing tenants who for example are overcrowded or have to move due to stock condition – which means there is less capacity to maintain the level of moves needed.

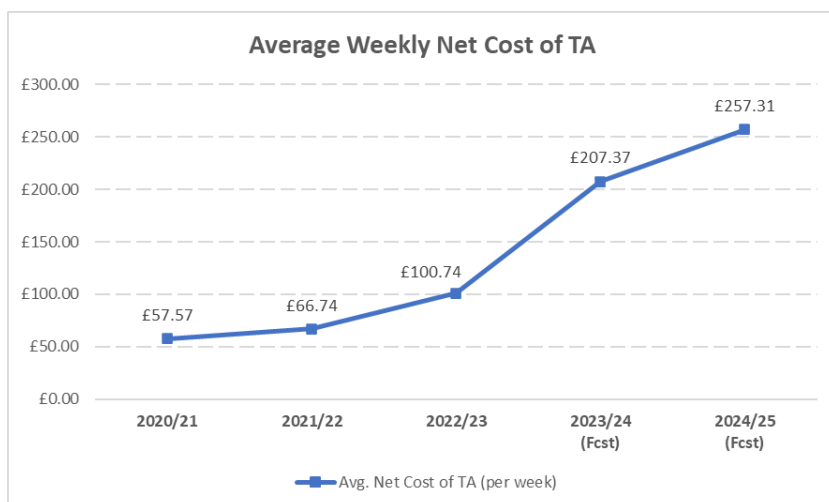
Homeless demand and Temporary Accommodation since 2010#

Year	Total Acceptances	Total TA	
2010/11	435	1726	
2011/12	539	1910	
2012/13	813	2450	
2013/14	705	2283	
2014/15	617	2397	
2015/16	511	2423	
2016/17	496	2518	Social Housing Moves
2017/18	443	2521	296
2018/19	266	2739	276
2019/20	351	2719	246
2020/21	387	2685	260
2021/22	365	2694	
2022/23	468	2925	

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

The immediate challenge is sourcing sufficient accommodation to meet the demand from increasing numbers of households presenting as homeless. There are insufficient properties available to meet current demand, leading to the large-scale use (for the first time in several years) of hotels and greatly increased costs of accommodation. The lack of supply to meet new households presenting is exacerbated by the pressures on existing supply to households currently in TA as property owners are moving out of the TA market, requesting properties to be returned and causing further demand pressures.

The lack of supply is the biggest driver of TA cost pressure. The use of more expensive accommodation (e.g. hotels) and the ability for PSR landlords to negotiate price increases has driven the average weekly cost of TA upwards. The chart below reflects the average weekly difference between the cost of supply (which is rising) and the rent that the authority can recover (which has remained flat for over a decade):



Adding stock is more challenging, as similarly to clients, we are also facing increasing cost pressures. Increases in interest rates are driving up expenditure on our existing stock portfolio, driving up the cost of developing our portfolio further – all in the context of having to cover the gap between LHA rates and the cost of accommodation for our service users. The income formula for TA has remained unchanged for over 10 years when market prices have significantly increased, and this is entirely unsustainable.

In the medium to long term, the length of waiting time for family sized social housing impacts all households in TA and is the central challenge facing households living in TA. The uncertainty that TA brings by nature of being temporary and generally leased from private landlords impacts all aspects of life from schooling, access to other services, access to employment etc. This widens the disadvantage between households in TA and other households, on top of the existing challenges that come from the strong correlation between homelessness and associated mental and physical health. Commissioning housing related support services is key to supporting households and trying to mitigate the disadvantages

from being in TA, and while we currently provide these, as the cost of delivering our statutory responsibility continues to grow our ability to provide the same quantity of services could be compromised.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

The pan-London initiatives: the Right to Buy Back Scheme, the Affordable Housing Programme and the London Housing Panel are all positive but address the downstream situation – the supply of social housing which can be accessed by homeless households – rather than the supply of TA. Currently, the demand for social housing far outstrips the supply and the requirement for TA continues to increase, so these schemes are slowing the growth of the pressure rather than alleviating it.

In terms of addressing TA, Capital Letters (CL) is the primary pan-London initiative funded through top slicing of the Homeless Prevention Grant. The requirement for properties to be priced at LHA levels has limited the amount of appropriate accommodation that can be sourced by CL – and there have been issues with the quality of accommodation procured. At a time when resources are stretched, there is less flexibility for LAs to support each other with TA and there has been less enthusiasm around CL as a mechanism to address the current issues,

The volume of out of borough placements is driven by the availability of properties in a local authority area. Authorities do seek to maximise all available supply locally and Westminster in particular are increasing the in-borough purchase scheme significantly over the next couple of years. However, the level of TA required cannot be met in-borough (the current split is 42%:58% in/out) – particularly with the current cost pressures in Westminster's PRS - and thus leads to an increased duty to secure housing out of borough.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

The central need is for a functioning local housing market that enables households on low incomes to find accommodation themselves when moving, for local authorities to support households to move to prevent homelessness wherever possible, for the private rented sector to provide a stable long-term home, to source TA as it is required and to increase the purchase of properties. A push on developers to utilise their unimplemented permissions would be very welcome, to ensure that where the planning process has delivered there is no unnecessary delay in delivering that housing.

In terms of what is deliverable, we need to reduce the number of people entering TA through pushing Government to utilise the levers available. The gap between the LHA rate and 30th percentile rent in Westminster is now £165.51 p/w for a one bed property (56%). This needs to be revised urgently to recognise current rental costs, as it will reduce the flow of people

into TA by making it more likely they can stay in the PRS, reduce the gap between LHA costs and real rental costs which are causing TA costs for LAs to rise so sharply.

Similarly, there is a commitment from HMG to end s.21 notices, which is a common driver of homelessness and means that those who are not in arrears etc. have a higher chance of remaining stable in rental accommodation.

A crackdown on Short Term Lets in breach of the 90-day limit would also support moving those who are illegally using their property as a full-time short term let either into the PRS, or to sell their property creating more availability in the market. We have called for a mandatory register to come forward as soon as possible to enable the fullest possible enforcement.



Crisis' Submission to London Assembly Housing Committee Investigation into Temporary Accommodation in London October 2023

Crisis is the national charity for people facing homelessness. We know that homelessness is not inevitable, and we know that together, we can end it. Crisis is dedicated to ending homelessness by delivering life-changing services and campaigning for change. Every year we work directly with thousands of people experiencing homelessness across England, Scotland and Wales. We provide vital help so people can rebuild their lives and are supported out of homelessness for good. We use research to find out how best to improve our services, and to find wider solutions to end homelessness for good.

Homelessness has increased over the last decade, with the number of households experiencing the worst forms of homelessness on a given night in England reaching 242,000 in 2022, a rise of 15% since 2012.¹ The number of households being placed in temporary accommodation has also risen steadily over the same period and by March 2023, stood at 104,510 households – the highest in 18 years – and included over 130,000 children. Levels of homelessness are particularly acute in London, with 57% of all households (60,040) in temporary accommodation in England having been placed there by London Boroughs.

Homelessness has a significant financial and social cost; as well as the £1.74 billion councils spent last year on temporary accommodation,² there are wider costs to public services.³ In June 2018 Crisis published [Everybody In - How to End Homelessness in Great Britain](#) setting out a long-term strategy for national governments. Delivering a housing-led response to homelessness, and making temporary accommodation genuinely temporary, is central to this strategy, underpinned by a national government programme to significantly increase investment in social rented housing. Analysis for Crisis and the National Housing Federation projected that 90,000 social rent homes are needed each year in England, 33,000 of these in London (36.6% of the national housing requirement), to address the backlog of housing need and reverse increases in homelessness.⁴

Crisis welcomes the opportunity to contribute to the Housing Committee's investigation into temporary accommodation in London. Our response to the specific questions posed by the investigation is set out in the following pages.

Key points

- As well as having a huge direct financial cost, temporary accommodation causes great harm to individual lives which in turn generates very significant costs for the health, criminal justice, and education sectors:

¹ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

²<https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2022-to-2023-individual-local-authority-data-outturn>

³ Downie, M., Gousy, H., Basran, J., Jacob, R., Rowe, S., Hancock, C., Albanese, F., Pritchard, R., Nightingale, K. and Davies, T. (2018) *Everybody In: How to end homelessness in Great Britain*. London: Crisis

⁴ Bramley, G. (2018) *Housing supply requirements across Great Britain for low income households and homeless people*. London: Crisis and the National Housing Federation.

- Three quarters of people living in TA experience poor housing conditions, at significant cost to their physical and mental health.⁵
- Even where TA is in decent condition, this insecure and short-term form of accommodation creates profound uncertainty, disrupts children’s education, and prevents people from planning for their future.
- Worse still, for tens of thousands of people it is far from temporary, prolonging the time they spend living in highly unsuitable situations and increasing the harm this causes – as of March 2022 over 40,000 households had spent over two years in TA across England.⁶
- For people whose homelessness is compounded by the most significant disadvantage or who have significant support needs, temporary accommodation and hostel-style transitional exempt housing are often ineffective, leaving people at risk of eviction and a return to rough sleeping. Housing First would offer a more effective alternative to expensive and unsuitable hostels and could play a far wider role in preventing homelessness in London than is currently the case, alongside good quality, specialist, self-contained supported housing. We would like to see the GLA use its convening powers to support London Councils and individual boroughs as they continue to grow Housing First and in particular to help councils ensure that standard referral pathways and homelessness assessment processes do not prevent individuals from accessing Housing First.
- Crisis is urging national and local government, public services and the third sector to rethink the way we respond to all forms of homelessness. Making TA genuinely temporary and reducing, not increasing, the role it plays in our homelessness system should be at the heart of this. We recognise this must also go hand in hand with a wider, national Government approach to increasing the supply of social housing and unfreezing Local Housing Allowance rates. We set out our detailed recommendations on how to achieve this in response to question 1 below.
- While we encourage the GLA to work with London Councils to improve oversight of and standards in temporary accommodation, it is also critical that the GLA considers how it can work with national and local government and housing providers to ensure that temporary accommodation becomes genuinely temporary and the need for it can be reduced rather than increased.
- To help achieve this we urge the GLA to continue to take the steps needed to deliver more settled housing to tackle homelessness – general needs housing, Housing First places and specialist supported housing – and where appropriate influence National Government to deliver the wider policy changes and increased investment needed to achieve this.

Questions posed by the investigation

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

The high demand for TA in London is a direct outcome of increasing level of homelessness, which is in turn driven by the acute undersupply of social rented housing, the freeze on Local Housing Allowance rates combined with the impact of the overall benefit cap, wider

⁵ Garvie, G, Pennington, J., Rich, H.& Schofield, M. (2023) *Still Living in Limbo. Why the use of Temporary Accommodation must end*. London: Shelter

⁶ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

cost of living pressures and high levels of insecurity in the private rented market. These problems are magnified in London with its context of higher rental prices and higher levels of housing need.

The shortage of housing supply across the social or private rented sectors have made it increasingly difficult for councils to provide swift access to settled housing, pushing up demand for TA. Unsurprisingly, against this backdrop, councils across the country are finding it increasingly difficult to meet the scale of requirements for temporary accommodation.⁷ But these pressures are particularly severe in London. London Councils report a 781% increase in homeless families placed in bed and breakfast accommodation beyond the legal six-week limit over the 12 months to March 2023.⁸ Staff from Crisis' own services in London are reporting examples of councils offering wholly unsuitable forms of temporary accommodation (our client's experiences are detailed in our response to Question 2 and in the Annex).

While it is welcome that councils are exploring new ways to provide more satisfactory forms of temporary provision – for example by acquiring property on the open market⁹ or developing purpose built and modular temporary housing¹⁰ – increasing the supply of temporary accommodation risks perpetuating the harms that this form of housing causes to individual lives and the cost it creates for the wider economy.

Consequently, Crisis is urging national and local government, other public services and the third sector to rethink the way we respond to homelessness. **Making TA genuinely temporary and reducing, not increasing, the role it plays in our homelessness system should be at the heart of this.** A more sustainable and effective response would be to examine what more can be done to address the lack of access to genuinely affordable, settled homes in both the social and private rented sectors.

In addition, it is critical that councils provide a more effective response to accommodate and support people whose homelessness is compounded by the most significant disadvantage. Temporary accommodation and hostel-style transitional exempt housing are often ineffective for people with high and complex needs, leaving people at great risk of eviction and a return to rough sleeping. Housing First provides people facing the most complex challenges with rapid access to stable ordinary housing from where their other support needs can be addressed. Instead of a requirement to prove tenancy-readiness, clients must simply agree to maintain a tenancy, and they then receive coordinated and intensive support for as long as it is needed. This approach is underpinned by a set of operational principles that are grounded in evidence of what works.¹¹ Our evidence demonstrates that Housing First could play a far wider role in preventing homelessness in London than is currently the case, alongside good quality, specialist, self-contained supported housing. Research conducted for Crisis and Homeless Link to quantify the scale of need for Housing First across the English regions identified a requirement of between

⁷ <https://www.districtcouncils.info/four-fifths-of-councils-running-out-of-accommodation-for-homelesspeople/>

⁸ <https://beta.londoncouncils.gov.uk/news/2023/one-50-londoners-homeless-housing-disaster-unfolds-capital>

⁹ <https://councilmeetings.lewisham.gov.uk/documents/s108246/Housing%20Acquisition%20Programme%20for%20Homeless%20Households.pdf>

¹⁰ <https://www.london.gov.uk/press-releases/mayoral/funding-will-deliver-up-to-200-affordable-homes-0>

¹¹ <https://homeless.org.uk/knowledge-hub/the-principles-of-housing-first/>

4,276 and 2,368 Housing First places in London.¹² The same report estimated the number of people within the wider cohort who were likely to have immediate need for Housing First and identified 800 people in London.

There is robust evidence, both internationally and in Great Britain, that Housing First works to end the homelessness of people with multiple and serious needs,¹³ including the following learning from three Government funded regional pilots:

- The pilots have recorded tenancy sustainment rates above 90%, meaning Housing First has ended the homelessness of the majority of people who have been part of the pilot programme. This meant that fewer people were sleeping rough and in homeless accommodation in the pilot areas.¹⁴ In evidence submitted to the APPG for Ending Homelessness' inquiry on Housing First, the Greater Manchester pilot reported that rough sleeping had enabled many former rough sleepers to sustain settled accommodation.¹⁵
- Tenants supported through the pilots report a range of positive impacts on their health and wellbeing, including stabilising drug use through maintaining a methadone prescription; reduced levels of drinking; improved health and regular attendance at GP and other appointments.

In 2021 the GLA supported a London Councils' letter to the Chancellor of the Exchequer calling for funding to expand Housing First provision in London, focusing particularly on the 'Target 1000' or T1000 group of people who London Councils have identified as needing a bespoke service to end their homelessness. It was estimated that between 200-300 people within this cohort are likely to be eligible for Housing First, of which some are still sleeping rough while others are in emergency placements but unlikely to be able to progress through councils' normal supported housing/adult pathways. Crisis calculated that a service delivering 300 places would deliver annual savings of £5 million against a spend of £4 million.¹⁶ These savings are calculated by quantifying the impact of reduced demand on the homelessness system, reductions in the need for emergency health services, and reduced contact with the criminal justice system. Our analysis suggests for every £1 invested in Housing First, there are savings of £1.24.

To help increase access to mainstream housing, Housing First and specialist, self-contained supported housing and reduce dependence on temporary accommodation, we recommend that the Mayor takes the following actions:

- Continue to lobby Westminster Government to address the undersupply of new social housing. Despite steps by the Westminster Government to encourage increased local authority provision of new homes for social rent, Government investment levels are still completely inadequate to meet the scale of requirements with only 7,600 new homes for social rent across England as a whole in 2021/22. In London, the Mayor's welcome commitment to rebalance spending through the

¹² The lower estimate reflects current need and is derived from Heriot-Watt analysis on the scale of homelessness, combined with analysis from the Hard Edges study to calculate the proportion of people with mental health needs, substance misuse, and offending behaviour (12.8 per cent). The higher estimate of also draws on the Hard Edges analysis but represents the cohort of people with experience of homelessness, mental health, substance misuse and offending behaviour, adjusted to allow for recent increases in homelessness. For further information see Blood, I. et al. (2018) *Implementing Housing First across England, Scotland, and Wales*. London: Crisis

¹³ See for example Mackie, P et al (2017) Ending rough sleeping: what works? An international evidence review. London: Crisis.

¹⁴ MHCLG (2021) Evaluation of the Housing First Pilots: Second Process Evaluation Report. London: MHCLG.

¹⁵ APPGEH (2021) It's like a dream come true' An inquiry into scaling up Housing First in England

¹⁶ Crisis (2021) *Home For All: the case for scaling up Housing First in England*. London: Crisis

Affordable Housing Programme and increase the proportion of social rented housing delivered is starting to be felt on the ground with 2,231 social rent starts in 2021/22.¹⁷ However, it is essential that the Mayor continues to prioritise social rent delivery and do all that is possible to drive delivery up, including continuing to lobby national government for increased investment and higher levels of grant per unit.

- Increase the proportion of lets going to homeless households as they have done in Scotland – 45% of Scotland's social lettings go to people experiencing homelessness, compared with just 26% in England. The Homes For Cathy coalition carried out an analysis of the 20 largest registered providers of their allocation of general needs stock to homeless households – this was as high as 45% for a couple of providers but at the bottom end it was just 12%.¹⁸ Changing allocations practice can make very tangible differences and help people move quickly out of costly, unsuitable and often poor-quality TA. We would encourage the London Mayor to use his convening powers to work with London Councils to review council and housing association performance in letting to homeless households and consider the scope to increase the proportion of lettings going to people experiencing homelessness in London.
- Continue to press Government to make the changes to the welfare system that would have most impact in preventing and ending homelessness, including by:
 - restoring Local Housing Allowance rates to the 30th percentile, which would enable more people to find and sustain homes in the private rented sector and move on from TA
 - reviewing the level of the benefit cap which also reduces access to affordable properties in the private rented sector and particularly so in London. At a minimum, there should be an exemption to the benefit cap for people who are homeless, similar to other exemptions in the welfare system such as in the Shared Accommodation Rate.
- Support the development of a pan London lettings agency focussed on increasing the supply of good quality one-bedroom homes in the private sector. This would complement the work of Capital Letters by increasing supply for single adults experiencing homelessness.¹⁹
- Continue to grow the provision of Housing First and specialist, self-contained supported housing places to meet the scale of need identified across London. To support this, we urge the Mayor and London Councils to:
 - commission a feasibility study to review the current scale and profile of need and provision (both for Housing First and wider homelessness services) across the capital and identify how to transition to a housing-led response both for people experiencing the most complex support needs (the Housing First client group and others for whom Housing First is not suitable) and others with less complex support needs who currently are likely to have to

¹⁷ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply> See Tables 1011S and 1011C

¹⁸ This unpublished analysis used publicly available CORE data:

<https://www.gov.uk/government/statistics/social-housing-lettings-in-england-april-2021-to-march-2022>

¹⁹ Unpublished, available on request from Crisis: Imogen Blood Associates (2023) *A Pan-London Social Lettings Agency? Update on a Feasibility Study conducted in 2019/20*.

spend time in Adult/Supported Housing pathways. The study would provide critical evidence on numbers, costs and the scope for cost savings and could be a useful influencing tool in working with national Government and London stakeholders to identify funding opportunities.

- Use the GLA's convening powers to support London Councils and individual boroughs as they continue to grow Housing First and in particular to ensure that traditional referral pathways and housing assessment processes do not prevent individuals from accessing Housing First (see further detail on this in response to Question 2 below).
- Crisis has developed recommendations for a national policy initiative and targeted funding to enable councils to bring more long-term empty homes and obsolete commercial property into use to address homelessness and other local housing needs.²⁰ We encourage the London Mayor to support this call, and in parallel to continue to lobby government to increase funding for the acquisition of market housing for reuse as social homes as recommended by the Affordable Housing Commission.²¹

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

We have recently gathered testimonies from people living in temporary accommodation and using our services in London and other parts of the country. These are attached in full in the Annex to this submission. Common themes emerging from these testimonies, and reported also by Crisis staff, are as follows:

- The process of applying for help under the homelessness legislation and waiting for an offer of suitable temporary accommodation is often extremely challenging and distressing for our clients. This is both because of feeling stigmatized and being told by council staff that if they don't accept what they are offered they will receive no further assistance from the council;
- Understandably, many people then feel unable to refuse the accommodation that is offered, no matter how unsuitable the accommodation or the location. Many of our clients find themselves in highly problematic situations as a consequence, including:
 - Hotel rooms without access to staff support, even when clients have significant support needs
 - Hostels or HMOs with shared facilities where people feel scared of others living in the same accommodation, fearful even in their own rooms and afraid to leave their rooms to use shared facilities;
 - Dirty, mouldy or damp accommodation;
 - Lack of access to cooking facilities or basic amenities such as bedding or crockery.
- It is often the case that our clients are offered accommodation out of borough. This can sometimes be in locations far from their home neighbourhood, with unacceptably long journey times for children to get to school and adults to work, and leaving people feeling cut off from family, friends and support

²⁰ Crisis (2023) *Make History: Ending Homelessness with homes. Unlocking the potential of empty buildings*. London: Crisis

²¹ Affordable Housing Commission (2020) *A National Housing Conversion Fund: buying properties to boost affordable housing supply*

networks. For clients with complex health needs and substance dependence this can disrupt access to vital services and support, causing further harm. In the case of people accepted onto our Housing First service and offered inappropriate out of borough locations, we respond by engaging with council teams to help them understand why people typically described as having complex needs need to be placed close to services that are essential for them. A significant amount of officer time is spent advocating for clients in these cases to secure an appropriate temporary housing offer, and in some cases Crisis tops up the amount of money councils will spend on nightly accommodation to enable people to stay near to essential services.

- For single adults experiencing homelessness, transitional supported 'exempt' accommodation such as hostels is often the only option available, with exceptionally high rents covered by Housing Benefit while people are unable to work, but often very high service charges having to be covered by Universal Credit alongside food, clothes, toiletries and travel costs. When clients return to work, budgeting to cover high rental payments and service charges is exceptionally challenging.
- In addition to the paucity and unsuitability of the accommodation itself, our clients can feel deeply insecure about not knowing how long they will be staying in any given accommodation. We have examples of clients being offered only one night's accommodation, told they will have to leave the following day, but then the next day, told they will be staying – with this process repeated numerous times and taking a huge toll on their mental health.

Crisis funds Housing First services in London and Newcastle, but staff from our London service report particular challenges in providing an effective response to people experiencing homelessness in some London Boroughs, including clients who are part of the T1000 cohort:

- While some London Boroughs working with the Crisis Housing First service allow council rough sleeping teams to make housing offers to Housing First clients outside the standard pathways and nominations processes, others insist that clients go through their supported housing/hostel pathway. This may in some cases result in clients again facing eviction and being judged 'unable to manage their own front door' or being judged intentionally homeless.
- A significant amount of officer time is spent advocating for clients with the most complex needs in these cases, which may sometimes result in Crisis escalating the case to the London Councils team to seek their help in securing greater flexibility from individual local authorities.
- Housing First works for people with the most complex support needs because it does not expect them to engage with a pathway involving congregate accommodation unless they agree to do this. Adopting a rigid gatekeeping system that insists people move through the pathway before accessing settled homes often sets them up to fail. It prevents them being supported in accordance with Housing First principles which evidence shows are effective in ending most people's homelessness. This in turn leads to a cycle of hostel stays, rough sleeping and encounters with the criminal justice system that are both costly for society and hugely damaging to people who are already amongst the most marginalised.

The experience of our clients echoes wider research evidence showing that temporary accommodation causes great harm to individual lives and in turn generates significant costs for the health, criminal justice and education sectors:

- Three quarters of people living in TA experience poor housing conditions, at significant cost to their physical and mental health.²²
- But even where TA is in decent condition, this insecure and short-term form of accommodation creates profound uncertainty and prevents people from planning for their future or putting down roots in their community.
- The Children’s Commissioner has documented how temporary accommodation can affect both children’s behaviour and their ability to participate at school, leaving the education system to pick up the impact and costs of this disruption to children’s lives and the extreme emotional trauma they may experience.
- Worse still, for tens of thousands of people it is far from temporary, prolonging the time they spend living in highly unsuitable situations and increasing the harm this causes – as of March 2022 over 40,000 households had spent over two years in TA across England.²³

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

Our response to this question focusses on our experience of delivering a Housing First service across London, and difficulties engaging effectively with some London Boroughs that we outlined in response to Question 2.

We welcome the fact that London Councils is working with individual boroughs to support the expansion of Housing First and that sub-regional Housing First leads are being appointed to support this growth. However, as noted in our response above, the Crisis Housing First service encounters problems securing access to housing in some local authority areas and we have concerns that these problems sometimes reflect a lack of familiarity and acceptance of the principles of Housing First. While some London Boroughs have adapted their systems and created multi-disciplinary teams, others are not implementing the systems change needed to ensure people with the most complex support needs can access suitable interim or settled homes.

We therefore request that the GLA uses its convening powers to support London Councils and individual boroughs to review how practices in relation to the Housing First client group vary, to help councils ensure that standard referral pathways and homelessness assessment processes do not prevent individuals from accessing Housing First, and to spread the positive practice that is already in place in some boroughs. DLUHC is currently working with a task group of organisations including Homeless Link and Crisis to develop a framework that will help commissioners and providers implement the Housing First principles, and we recommend that once it is published the GLA helps encourage implementation of the new framework across London.

In addition, we have previously proposed that the London Mayor and GLA commission a feasibility study to review the current scale and profile of need and provision for Housing First and wider homelessness services for people who would normally be expected to pass through Adult/Supported Housing pathways across the capital. Such a study could also help the relevant agencies identify how to transition to a housing-led approach to tackling homelessness both for people experiencing the most complex support needs (the Housing First client group and others for whom Housing First is not suitable) and others with less

²² Garvie, G, Pennington, J., Rich, H.& Schofield, M. (2023) *Still Living in Limbo. Why the use of Temporary Accommodation must end*. London: Shelter

²³ Fitzpatrick, S., Bramley, G., McMordie L., Pawson, H., Watts, B & Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis

complex support needs who may in some cases not require supported housing. A study of this nature could provide critical evidence on numbers, costs and the scope for cost savings and could be a useful influencing tool in working with national Government and London stakeholders to identify funding opportunities. A similar study conducted by the Liverpool City Region provided the basis of that area's bid to become a Housing First pilot,²⁴ which in turn resulted in initial funding of £7.7 million to deliver 300 Housing First places over three years.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

To improve the quality of temporary accommodation there is an urgent need for effective regulatory oversight and the introduction of standards for temporary accommodation in England. The London Mayor should use his convening powers to work with London Councils to develop a standards and oversight framework for temporary accommodation provision in London. This should be aligned with the new National Supported Housing Standards that will be developed as a result of the Supported Housing (Regulatory Oversight) Act.

Crisis has serious concerns, however, about any initiative that seeks to *increase provision* of any form of TA without addressing the scope to improve access to settled housing (general needs housing, Housing First places and specialist supported housing).

To do so risks perpetuating the harms that even good quality TA causes to individuals (as documented in response to Q2 and the attached Annex) as well as the wider costs to public services. A more cost-effective response would be to focus on how the GLA can enable councils and housing associations to deliver more settled housing – general needs housing, Housing First places and specialist supported housing – and where appropriate influence national government to deliver the policy changes and investment needed to achieve this.

²⁴ <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/housing-models-andaccess/housing-first-feasibility-study-for-liverpool-city-region-2017/>

ANNEX: Testimonies from people in temporary accommodation

The experiences below are all anonymised and the names of the relevant locations and local authorities that correspond to them have been removed.

Story 1- MC

Background

Just over a year ago while I was pregnant, I received a section 21 eviction notice. Since being evicted 6 months ago, I've been living in temporary accommodation with my two sons who are 13 and 14 months old.

Seeking support from the council

When I received the eviction notice, I approached my council for support. The Housing Officer I was assigned left shortly after we met, and I wasn't given a new one for 6 months. During that time, I had no idea what to do. I had just given birth and the situation triggered bad anxiety and post-natal depression.

I tried to explain to the council that I needed to know what my options were, but they didn't take my mental health needs seriously or acknowledge the impact of the uncertainty at all. I knew what I was asking for was reasonable, but I started feeling scared to even fight my corner as I didn't want to make the situation worse.

I had to go through the complaints procedure just to get a new Housing Officer and to get the housing prevention duty backdate to when I first contacted the council.

Living in temporary accommodation

Eventually, the council offered me temporary accommodation in my area, but this was in complete disrepair. The carpet hadn't been washed in a decade. I couldn't let my baby crawl on the floor there. There were no fire alarms. No door handles. The council said "you're lucky we've found you somewhere in the borough."

When I told them I couldn't live there, the council said they wouldn't offer me any other options until 24 hours before we were evicted from our flat. When they finally offered me something, whatever state it was in, I knew I had to accept it.

Since then, for the last 6 months, we've been living in a flat that is 1 hour 30 minutes away from where we were before. The property has no direct transport links to my son's school, which means he must leave the house at 6:45am and take a taxi for the first part of the journey because there are no direct trains. I'm so lucky my manager lets me work from home most of the time. There is no way I could afford travel for us both.

We've been isolated from family because of the cost to travel to see them. My son has felt isolated from his social circles and the unreliability of his travel to school has affected his attendance. Luckily my little one doesn't really know what's going on because he's been in 3 houses in the last year.

The flat I'm in is a new build but I've had to complain about a repair every other week. We've had issues with the plumbing and the hot water. There's such a stigma. The council act like you should be grateful for them coming to complete a repair.

Even working full time, I couldn't afford another PRS property at the current market rate. I asked them for affordable properties in the Borough but they wouldn't hear it.

What next?

In December, I was given information to bid for a permanent property. You're supposed to be able to bid for properties every week, but this has only been open twice as there are so few available properties.

The council recently offered me an affordable private rented property that is under construction, which will be much closer to the borough I was living in before. My son will be able to get into school and reach his friends much more easily.

Story 2 - MH

Background

I was happily living in the private rented sector for 9 years until my landlord issued me with a section 21 eviction notice and harassed me so much that I had to contact the police.

I am a trans woman experiencing gender dysphoria, depression and anxiety and the landlord's treatment caused me so much distress that I had to leave the property before the second stage of the eviction process.

Seeking support from the council

When I approached the council for support, they were hostile and had no compassion about my situation or identity. They asked me insensitive questions in public settings and compromised my safety by trying to place me in a mixed gender facility that had 3 male residents.

I'm a trans woman from a Pakistani background and there's a lot of stigma. I knew I would be targeted so this got me scared. I thought "The council will put me anywhere. I can't accept this."

The council told me that even though I was not intentionally homeless and I was born in the UK, I might not be a priority because "you're not a woman with kids". This is the last thing you should say to a trans woman. I didn't expect this prejudice from the Government.

Living in a hotel room

When Crisis came with me to see a Housing Officer, the council arranged a hotel room for me that I've been living in for a month so far. It's better than being on the streets but the hotel is dirty, and people shout and argue. My room has 81% humidity and a child lock on the window, which is significantly affecting my asthma and I already have a chest infection after just one month of living here.

The hotel has 100s of people staying here but it only has two shared kitchens. I stay in my room as I can't be myself here. I'm having one meal a day and I'm getting weaker and weaker. If I was allowed to have a toaster and microwave in my room I could eat better.

Living here is further affecting my mental health because I have no stability and routine. I've isolated myself from my friends and family. I just close my eyes and play music and think better days are going to come.

What next?

I'm waiting for a letter from the Council stating their responsibility to house me after the 56-day relief duty ends. On Friday, they finally told me I am in the top priority tier, but there are a lot of people in this band.

I'm hoping that I'll get out of here. I'm looking privately and waiting for the council but there's an accommodation crisis. It's scary. I'm not in control of my situation.

Story 3 - J

Background

Me and my three children, two of which are disabled, were placed in temporary accommodation for 6 months after fleeing domestic violence to another council area.

My wellbeing suffered greatly. In the last month of residing at the property, I suffered a miscarriage. I had to have time off work. It was one of the most horrid and stressful chapters in our lives which I am pleased to leave behind.

I was unable to work from home because no Wi-Fi facilities were permitted. In the end I had no choice but to take out a second contract with my mobile phone provider to by a data chip to use for internet access.

Living in temporary accommodation

My family and I were given interim emergency accommodation in an old, converted shop or wine cellar. Although registered as a 3-bedroom property, the conversion made was not according to British building standard regulations. The overall condition of the property was poor, unhygienic, and unsafe.

The property was full of thick black mould and damp, which left a suffocating and offensive smell. I had to dispose of many of my clothes and shoes. We were often unwell with persistent chesty coughs or stomach upsets. My daughter who suffers with sickle cell disease was heavily affected with chest infections which in turn affected her sickle and triggered painful episodes.

The property was full of exposed wires coming out of various plug sockets. There was no power in the front room sockets. One of the internal doors was a heavy fire door but the handle was broken off, so it was very difficult to prize open and therefore a potential fire hazard. The front door was weak, and the lock was broken.

The bad state of disrepair was unbearable, but we had no choice. I reported many repairs and pest control issues via email and telephone, but no works were ever carried out.

The bedroom wardrobe could not be used as it was blocked in by a fixed bed. The kitchen had an unsafe cooking space. The gas stove was uneven so the pans would tilt, and the gas hob flame flickered on and off.

The unit comprised of 4 properties. The sound travelled through the walls, with little privacy. The front door was weak, and the locks broken. The day light was limited which led to a dismal trapped feeling for me, and my family members.

There should have been an official health and safety inspection from the Council and gas safety and electrical certificates issued. They should have efficiently managed repair issues.

Story 4 - OV

Background

I have been living in supported housing for the last 4 years since I left prison. I'm studying Computer Science at University but I'm so behind on my studies because of everything that has been going on.

There's no support with my disability in the places I've lived. There's no incentive for the companies to get rid of any problematic residents either because they want to make maximum profit. I wish there was more regulation, accountability and oversight of these organisations.

I've always negotiated to get the biggest rooms they have but the rooms are tiny as they're converted that way. I've had to share the kitchen and bathrooms in all of them.

Living in temporary accommodation – property 1

The first place I lived in was alright. The landlord looked after the house and repaired things when they stopped working. It was quite a stable environment and there weren't many new people.

Then the contract changed hands and the support worker was awful. I kept getting warnings for petty things like propping the door open to circulate fresh air. Eventually, I got evicted. I took it to the provider, and they agreed to overturn it, but I decided I didn't want to live there anymore while the support worker was still there.

Living in temporary accommodation – property 2

I found a new place to move to and when I first got there, everyone got on. We went shopping and played PlayStation.

But then a new Support Worker started and that's when things started to get bad. I was there for a year until recently. All sorts of people came through the doors. Some people got stabbed. The Support Worker even threatened to assault someone. It was a stark contrast to the first place.

They neglected everything. It took 3 months to fix the washing machine. There was fungus growing through the floor and they left the kitchen floor with metal rods poking out of it. I even have a video of the Support Worker going through my stuff in my room.

Recently, I was attacked by a resident. They fractured my tooth, and I've been in a lot of pain. The attack feels really raw and it's taking a toll on my mental health. I had to leave the second property for my safety.

That's when the council reset my position in the Band B category queue for permanent housing. If I didn't have the place on the housing register, it might be easier just living in prison.

Living in temporary accommodation – property 3

Three weeks ago, I moved to a new place. The support worker is very strict about cleaning. I'm anxious to go to the toilet or have a shower in case there's some mess left behind.

Since I moved in, they signed up two new residents who immediately stole the TV from the community room. I'd like to be able to find somewhere to live with other like-minded and calm people who are safe to be around.

Story 5 - WB

Background

I am suffering from multiple debilitating back issues that cause severe chronic pain, which affects my ability to do most of my daily activities.

I slept in a car and on a friend's floor for 8 months before the council first offered me temporary accommodation in May 2022.

I've been living in temporary accommodation since and it's doing things to my mind. It makes me feel down and empty. I am unsure how long I am expected to wait here. It's getting worse every day.

Living in temporary accommodation

The cherry on the cake was when the Housing Officer sent me an 11-page document saying I'm not as vulnerable as some. Crisis appealed this and I was awarded full housing duty in November 2022.

The first place the Council placed me was up a massive hill. I only stayed there for 2 nights because my Crisis Case Manager helped me secure a more suitable place.

The second place was in a different borough away from my GP and Adult Social Services Team. It was up a steep flight of stairs which meant I was unable to go out most days as my pain was restricting my mobility. This meant I often went without eating and didn't see people for weeks at a time. It had a tiny single room bed, kitchen and bathroom turned into a studio. The walls were a mess and the kitchen barely standing.

The only good thing about it was it was opposite the hospital. In November 2022, I was given a hospital bed by adult social services that helped me. They provided some adaptations to the kitchen and bathroom but were limited in what they could do due to it being someone else's property.

In January 2023, the Council moved me into an unfurnished place back in the area I was living in before. I will never forget the Council asking me to move everything with no support or transport. It took me so long in my condition.

I am still waiting for a fridge, stove, table, hoover and flooring because I had to apply for a grant to get them. I don't even have a shower.

It is so wrong to expect people with disabilities, or anyone who is homeless, to have to furnish temporary accommodation. Is this a way for the Council to get free stuff and offload the admin to a vulnerable, disabled homeless person?

Financial impact

I'm broke and £1400 in arrears because the service charge of the temporary accommodation was around £200 per month after full housing benefit was paid. If I had paid this from my limited benefits at the time, I would not have been able to eat.

Story 6 – LG

Background

I am a single parent with two young children aged 5 and 8. I am autistic and my youngest has additional needs. The council placed us in temporary accommodation from January 2022 to June 2022.

Within that time, we were moved eight times. We lived in several hotels and Airbnb apartments and eventually a two-bedroom house for the final month. It is not acceptable to put a family into a hotel or to have a family move so frequently.

As an autistic person I struggle to deal with change, and I am oversensitive to noise and light. I became unable to cope and I had to take time off work. I have found myself unable to recover from burnout and have had to resign from my job.

Being housed in so many temporary places is still having an impact on me 7 months after being rehoused into permanent accommodation.

Living in temporary accommodation

I can find very few positive things to say about any of the accommodation. It was a very dehumanising experience.

The hotels we were placed in were noisy. The first hotel we kept getting complaints from the person in the room below due to them being able to hear the kids moving about.

The second hotel was above a pub that had live music. This made it very challenging for the kids to settle and for me to remain calm and to rest. One member of staff was incredibly rude to us. They were very discriminatory and seemed to have preconceived notions about people who are homeless.

The apartments we lived in were small and noisy. I could always hear footsteps above us. The children had to share a bed and I had to sleep on a small sofa bed. The children had previously been used to having their own rooms. My eldest needs their own space to be able to remove themselves from their younger sister who can become disruptive towards us and her surroundings. Any of us having our own space was impossible.

Every day, we had to take several buses to get the children to school and then me to my part time job. Taking public transport on unfamiliar routes was very challenging for me due to my autism. These additional living costs had a huge impact.

Another additional cost was buying food for us every day when in the hotels because there were no cooking facilities.

In the final house we were placed in, the garden was full of glass bottles and discarded cans and people kept walking through it because the fence was broken. There were gangs of people hanging around which felt very intimidating and, on several nights, there was a fire behind the property.

Story 7 - Anonymous

Background

I've been living in temporary accommodation with my two children who are 12 (E) and 9 years old (A) for two and a half years. We've been told to expect to be here for another year.

When I moved in, I was running my own business and doing my Masters. But I have become too unwell to continue with either. I have been diagnosed with ME/CFS, Fibromyalgia and Hypermobility. I have carers for 6 hours a week. I spend on average 20 hours per day asleep or in bed. Sometimes I cannot get up at all.

E is diagnosed with a form of autism and has extreme anxiety.

Living in temporary accommodation

First, we lived in a B&B. Then, I was initially placed in a 2-bed flat, but my daughter could not cope sharing a bedroom. Due to her needs, I managed to move into a 3-bed when one became available.

The property is a great size. I have a small garden big enough for a trampoline and there's parking.

But there is no privacy. We're monitored on CCTV by staff 24/7 who foster a culture of fear and control. It's like living in a prison. We have no autonomy. They keep a log of when we

come and go. They threaten us with notices for leaving a buggy outside. The threat of eviction looms large.

This is not a home and yet it is the childhood home of my kids. I can't decorate their bedrooms, hang pictures on the walls or even bring in any of my own furniture. The children aren't allowed to use their bikes, scooters or play football even though there is a dedicated kids play area here.

The impact of living here has been devastating. I am depressed, isolated and lonely. It takes away hope. You function, but you don't live.

E's anxiety is now so extreme she has started hearing voices and self-harming. Her attendance at school has gone from 95% to 30%. She practically barricades herself in her bedroom with blinds down and lights off to try and feel safe from the cameras and staff. Having autism makes change difficult. Constant moving and not knowing where we'll end up is stressful for me, let alone E.

My 9-year-old son, A, responds to the situation with anger. He has been traumatised by having to rehome our dog when we moved here. He still sobs about this. Our dog was like a brother to him. He can't bear the way staff watch when he plays out with his friends, and the uncertainty of not knowing where and when we will move is very difficult for him.

Next steps

I want to have a choice when we are offered permanent accommodation. In my case, I need to be near the children's schools as won't be able to go too far with my disability and I won't retraumatise them with another change of school.

Story 8 – MG

M has multiple and significant mental and physical health needs, which include but aren't limited to learning disabilities, bipolar disorder, a heart condition, asthma and alcohol dependency. He also had a broken hip and has since been bound to his mobility scooter.

M had a history of childhood neglect and abuse. Due to his forensic history and 'nuisance' calling of emergency services, he has been in and out of custody and homelessness.

In the summer of 2019, M managed to find a place in a care home with the help of Just Life, but in the autumn, he was sent back to prison.

Upon his release in February 2020, despite knowing his release date for many months, M was placed in unsuitable temporary accommodation. There were stairs up to the property, which M is unable to navigate without support from at least two others.

The washing facilities and toilet were inaccessible. Therefore, M had to use a commode and was unable to have a shower or a proper wash for the 5-6 months he was living there. This was especially concerning due to Covid-19.

Furthermore, carers were not put in place until early April, and they did not start daily visits until May. M also experienced both physical and financial abuse whilst living there.

He became isolated and totally reliant on staff and carers. The temporary accommodation was a totally unsuitable placement as it wasn't accessible. M should have been placed with level access and suitable bathroom and toilet facilities.

Story 9 – MM

I lived with and looked after my dad for 50 years until he passed away in 2020. I have social anxiety and I got evicted because of the grief. I felt overwhelmed by it all.

During the pandemic, I ended up living at a Holiday Inn. The staff there were helpful and friendly, and the privacy was ok.

The provision of food was very inadequate. I didn't have a proper meal in 2 months, and I did lose weight. There should be temporary accommodation that is cleaner and has proper food.

I didn't really feel safe with the other people there as there were a lot of drug addicts and alcoholics. There should be separate accommodation for people who don't have addictions.

It was a very hot summer. There was no air conditioning in the room and the windows wouldn't really open very much. The sink never drained properly. The key card to get into the room was always faulty.

Story 10 – LA

L was privately renting with her cat and worked as a nurse in a care home, which she had been doing for 20 years.

After a fall, L got an infection in her leg and had to have an above knee amputation. The hospital pathway team referred her into temporary accommodation after she was discharged from hospital.

L was feeling very overwhelmed due to becoming homeless as a result of her new disability and reliance on a wheelchair.

L had to give up her cat to move into temporary accommodation.

The room she was placed in was too small for her wheelchair. The door to her accommodation was not accessible and she couldn't get back up the ramp if she left the property. She was in danger if there was a fire.

Story 11- AD

A is blind and was severely depressed and suicidal when he was placed in inaccessible and dangerous temporary accommodation.

His room was up numerous flights of steps and was on the outskirts of the city. The property had poor lighting, which was a hazard. With his sight loss, A often fell down the stairs and was frequently hit by cars when attempting to travel.

A should have been placed on a ground floor or lower floor so that he didn't have to navigate stairs.

When A was living in temporary accommodation, he had no support, and he was not engaging with any services. He suffers from bipolar and alcohol misuse but was refusing to medicate or see his GP.

A was in a dire financial situation. He only received Universal Credit and hadn't applied for PIP.

Story 12 – DR

D has multiple significant physical and mental health needs, including schizoid bipolar affective disorder, frequent suicidal ideation, hepatitis C, frequently dislocating shoulders that required operating on, and a knee replacement that needed to be re-done. D is always in a significant amount of pain.

D was placed in temporary accommodation that was completely inappropriate due to his physical disabilities for several months. His room was on the third floor of a building, and

the bathroom was on a separate floor that was inaccessible to him. He was struggling to cope as he is entirely dependent on crutches.

D wasn't allowed visitors to help him mobilise or do shopping.

After Just Life intervened, D was moved to ground level accommodation. However, the bathroom facilities were still not accessible, and the bed was broken when he moved in.

Story 13 – G

G was living in a hotel after being placed there during 'Everyone In' in March 2020. Before that, he had been rough sleeping in the city since 2018.

In 2015 he was in a motorbike accident in Spain and suffered a significant and life changing injury which left him in a coma. He required major facial and skull reconstruction. He has no memory of anything in his life before then and has a significant short-term memory impairment.

G found living in the hotel extremely stressful and triggering. He was struggling with daily functioning due to his memory. His room didn't have hot water, there were leaks and his bed was broken.

He didn't have access to benefits and he had not been supported to access healthcare before working with Justlife homelessness charity.

Story 14 – SN

S is living with schizophrenia and had been self-medicating for a number of years until 2021, when he was hospitalised after he took an overdose.

Following his admission to hospital, S was evicted from the supported accommodation he had been living in.

He was then placed in one of the city's busiest unsupported temporary accommodation facilities. The accommodation was very busy, with a variety of different people with varying support needs.

The stress of this situation put enormous pressure on S's mental health, and he found it difficult to manage.

S should have been placed in a cleaner and quieter environment due to his mental health needs.

Story 15 – JW

I am a 65-year-old man with PTSD and other mental health problems, and I also suffer from several chronic physical conditions which can cause considerable pain.

My council placed me in temporary accommodation 10 years ago and I have lived in several different types of accommodation in that time. I started in a hostel, I was then moved to supported accommodation, then to rented housing, and I am currently back in a hostel. The council seem to have a policy where you get moved on every two years.

The council has sought to move me to other parts of the city, indeed to other parts of the country, which simply is not acceptable to me.

I have finally been accepted for permanent sheltered accommodation, after the council moved the age-related goalposts twice during the time I have been waiting, and I hope to be able to move to somewhere suitable very soon.

Being in this type of accommodation has undoubtedly worsened my mental health problems and made it very difficult at times to cope with my PTSD. The stress has led to

suicidal thoughts on more than one occasion. Over the years I have seen friends and acquaintances die due to their homelessness and precarious accommodation. It feels like purgatory. My doctor says I've been institutionalised by it.

Some of the conditions I've lived in have been diabolical! Disrepair is rife and getting it put right can be hugely difficult. The electrics of one of my homes was so bad that the electrician described it as a 'death-trap!'

There's no security in temporary accommodation, you're always at risk of being moved on. It's hard to put down roots and begin to feel settled, though I have worked very hard to do so, because I know I could be moved on again. This wears you down and causes stress and anxiety.

The life also brings you into contact with so many agencies of the state – councils, the DWP – and you are at the mercy of the system and the individuals administering. You can find an angel or a demon, which decides what your experience is going to be. It's like negotiating an obstacle course in a minefield!

The fact is that I should have been offered suitable permanent accommodation years ago. I need to be near my doctor, near my community and friends, not sent to other parts of the country. Then I could start to feel less anxious and stressed about the future and I am sure my health would improve.

Story 16- DB

Background

I first experienced homelessness following the breakdown of my relationship in 2022. I was in the midst of a very difficult pregnancy and was unable to work and used up all my savings to pay my rent. Eventually I fell into arrears and ultimately lost my rented home.

Living in temporary accommodation

I was placed in B&B accommodation with my 6-month-old daughter by the council in the summer of 2022. I was living in a small room with a single bed, cot, small fridge, table, and sink. There was no floor space in the room, and this was particularly difficult as my baby was beginning to crawl.

There were several other reasons why it was unsuitable, including that there were no cooking facilities. I was nursing my daughter and found it extremely difficult to have a healthy, balanced diet to support myself. Take away food is expensive as well as unhealthy and I had nowhere else to eat it except for my room.

The bathroom facilities were shared, and they were never clean, which was particularly difficult to deal with as I had a small baby.

It was also difficult to get the baby and her equipment up and down the stairs.

The landlady was very strict – like a headmistress. We were not allowed visitors in our rooms, only my Health Visitor was allowed in. I felt like an unwanted guest, imposing in someone else's home. There was no real privacy either, the landlady would let herself into the room to deliver mail when we were out. I didn't feel I could complain as I was worried she would prevent me from using the Wi-Fi if I did.

I felt confined to that small room and this had a real impact on my wellbeing. I was unable to sleep because of the stress I was under and I felt down and depressed all the time. It made it very difficult for me to get back to work.

I didn't get an awful lot of help from the council with getting out of there. They offered me places in unsuitable locations, where I would have been unable to get to work, and they threatened to discharge their duty without housing me. I felt that they did not treat me with dignity, but as some sort of sponger.

In the end I made my own application to a housing association, with the help of Crisis, to get out and even then, the council wanted us out of the B&B before the gas was put on in my new home or I had any furniture!

Story 17 – IK

I have been homeless some years, moving across a range of different types of places to live, such as hotels, hostels, and supported accommodation. I have been placed in various parts of the city at different times, and I am currently in very poor temporary accommodation, possibly that which is known as 'exempt accommodation,' placed by the council.

Some time ago I was unwell and had to have toes amputated. This caused problems with mobility, and particular difficulty in climbing stairs. Initially after my operation I was placed with a supported accommodation provider, which was decent and met my needs after discharge from hospital. The council however downgraded my support needs and for the last 6 weeks I have had to live in accommodation that is entirely unsuitable to me.

The TA I live in comprises of 6 rooms. I am the oldest here, the majority are in their forties, but two rooms are occupied by youngsters. I would say that for them it is like a holiday home for they are not always here.

I have been challenged by some as to why I am here. I am strong enough tell them why but if I was of a timid nature, I feel I would be bullied by them. There is no support structure from the people running the accommodation.

Also, after I moved in one person asked me for food drink and tobacco. The first time I gave him what he wanted but after that it became constant and I told him I am not there to be his supplier.

Story 18- LH

I am a mother of 4, including a 7-year-old with severe learning disabilities and autism. I was placed in temporary accommodation by the council after escaping domestic violence about 6 years ago.

I managed to get into private rented housing with the help of Crisis last summer but had been in a range of unsuitable temporary accommodation for 5 years before that.

My son has no speech, no sense of danger and often runs or tries to get away in some way. He was just two when we first went into temporary accommodation. Our family has a history of instability and the children have been in care due to not having a safe place to live while domestic violence was happening.

During the time we spent in temporary accommodation we were in three hostels, two hotels and two different unsuitable flats. In one of the hotels the children and I were split across two rooms in different parts of the hotel, so at nights and some other times I was unable to supervise them all properly.

One of the flats we were moved to had a balcony on the upper floor and this was a real risk for my son, as he would undoubtedly have climbed and fallen from it. The bathroom and kitchen were both in a terrible state and the garden was communal and open, so again my son would have got away.

The whole of the 5 years in temporary accommodation have been traumatic for all my family. The instability has been debilitating for me and the children, affecting our daily lives in so many ways.

The kids have had to change schools a few times, they have been unable to bring their friends home like other kids, because they've been in hotels or because the flats have been

in a poor state. We've often not had carpets and things like that, because the council said we only needed them in the bedrooms.

I have been making massive efforts to bring stability back into our lives, as my kids need it desperately, but five years in terrible temporary accommodation made that almost impossible.

I'm not sure how we'll get on when I am able to get back to work, as the rent is very high in this PRS house, so I still desperately want us to have a permanent base to build our lives from.

Habitat for Humanity

Call for Evidence: Temporary Accommodation

Submission to the London Assembly Housing Committee

About Habitat for Humanity

An international charity fighting global housing poverty

Habitat for Humanity believes everyone should have a decent place to call home. A decent home can help permanently break the cycle of poverty, allowing individuals and families to achieve strength, stability, and self-reliance. Since 1976 we have provided over 1.9 million homes and helped over 29 million people globally.

In Great Britain, [Habitat for Humanity GB](#) (Habitat GB) act as a catalyst, testing and piloting ideas and approaches that have the potential to help solve some of the biggest housing problems facing this country. We work with local authorities and community and civil society providers to increase the stock of available long term social housing by converting existing empty non-residential properties into quality homes.

We have formed a coalition of partners to support the development and deployment of an 'Empty Spaces to Homes' approach(es) and toolkit which sets out guidance for organisations to adopt their own empty spaces to homes project locally. The toolkit is designed for organisations who, while experts in supporting their target groups, are not experienced in capital projects, from identification, to financing, community consultation, legal and construction project management. Through our partnerships with coalition members, we frequently interact with organisations who are struggling with the demand for both permanent housing and TA.

Habitat GB responses to Questions

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Clear themes for increased demand include:

- The systemic economic challenges facing low and no-income families after a decade of austerity measures, and cuts to public welfare provision: where the cost-of-living crisis, leaves families struggling to pay bills, feed their families or heat their homes, they can be left one economic crisis away from defaulting on private rent and at risk of eviction. Increased vulnerability increases the pressure on both long term and temporary social housing.
- The spiralling cost of private rental accommodation: The private rented sector (PRS) has become oversaturated with landlords and the rise of Airbnb and other similar internet-based rental agencies has served to compound the problem. This may not seem directly related, in that 2nd homes are not often

used as temporary accommodation for those in housing crisis, but the problem is that these homes might otherwise have served a purpose as affordable rented accommodation. In certain areas, there are so many Airbnb-style homes that the value of the property market has risen to unaffordable levels, creating a negative knock-on effect to social landlords and to provision of affordable rented properties. This theme is only exacerbated by the impact of inflation rates on mortgages, a cost which landlords are frequently passing directly to tenants.

- Lack of genuinely affordable solutions: Affordability definitions vary dramatically and are often politically influenced, and market driven. It is important to consider the societal context and the geography when making housing more affordable. In areas of high demand, rents are inflated and even 'affordable rent' which can be up to 80% of local market rent is unaffordable. In areas of low demand, rents can be very depressed and property values also reflect this.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Too often perceived as 'emergency' accommodation, provision of TA can be accompanied by an attitude of 'making do' and 'whatever the cost'. Without appropriate consideration and forethought, solutions borne out of these attitudes can often serve to exacerbate a problem by lowering standards and creating non-viable and unsustainable approaches which then perpetuate to become the norm of provision.

As demand only grows, TA increasingly becomes less 'temporary' than intended. While it may delay an immediate crisis, it creates other negative effects instead, many of which only become apparent over time.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

While we acknowledge the ambition, perseverance, and effort of organisations across the capital working on both the supply side of housing provision, and the prevention side of reducing the demand for TA, we also recognise the sheer scale of the challenge, and the urgent need for creative and well devised solutions and initiatives. Our participation in cross sector partnerships reinforces our belief in collaboration, across civil society, government and private sector.

One clear example of this, is our recent participation in the All Parties Parliamentary Group (APPG) for Housing Market and Housing Delivery and APPG for Ending Homelessness Joint Inquiry into Rethinking Commercial to Residential Conversions

(alongside The Empty Homes Network, Capital Letters, and Barking & Dagenham Council and the GLA). The findings are summarised in the APPG final report.¹⁰

Collectively our voices, and partnership working is beginning to be recognised pan-London and by the GLA as a potential solution to the perennial problem of declining secondary and tertiary retail parades and increasing demand for fit-for-purpose TA and move-on accommodation, that is also in the right location. Ideally, TA and move-on homes need to be near amenities and public transport, and in the same area as families, relatives, and friends so that people housed have a support network around them. If that support network is not there (e.g. young people in care, unaccompanied youth, and survivors of domestic abuse etc.) then the Local Authority, and their voluntary sector partners, have a key support role to play.

For Habitat for Humanity, one of our clearest opportunities to reduce the overwhelming demand for TA, is to address the demand for increased stock of move-on accommodation (especially for certain groups most vulnerable to housing need including, care leavers, asylum seekers, and people exiting the justice system).

By providing good quality, purpose-designed move-on homes you are then freeing up crisis accommodation in hostels and suitable TA, whilst also providing a stepping stone housing solution for between 1-3 years, which provides a reasonable security of tenure and a platform for living where a resident, or family, can rebuild their lives in society, with appropriate arm's length support. This is the kind of approach we have taken in Dagenham, East London, housing care leavers from the Borough.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

We believe that existing building stock represents a clear opportunity to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements. Many local authorities are sitting on a modest but not insignificant stock of empty unused non-residential buildings, which have been sat empty for over two years. In partnership with Empty Homes Network, we conducted research which demonstrated a proliferation of empty spaces across the UK. An estimated 165,000 privately-owned commercial and business premises remain empty across Great Britain and 7,000 commercial and business premises across England, Scotland and Wales, owned by local authorities, have been empty and vacant.¹¹

Repurposing of redundant existing buildings presents a huge opportunity to provide appropriate move-on accommodation, via councils and other responsible institutional landlords, and work together with the voluntary sector and private sector to turn the tide of this endemic problem of under-provision of TA, and poor provision of TA. There

¹⁰ <https://www.appghousing.org.uk/wp-content/uploads/2023/07/rethinking-commercial-to-residential-conversions-joint-appg-final-report.pdf>

¹¹ <https://www.habitatforhumanity.org.uk/blog/2021/05/repurposing-empty-spaces-research/>

are also rich opportunities for provision amongst homes and buildings owned privately.

Many local authorities have looked to lease properties in the private sector, with particular focus on acquiring empty properties for use within social housing and temporary accommodation provisions locally. Where successful, this allows councils to obtain a medium-term lease, and subsequently use the property for short term or TA accommodation. Resulting in an increased provision, whilst bringing back into use a previously empty home, and therefore targeting two local issues with a single solution.

Where landlords have decided to remove themselves from the rental market and left properties empty, they are often liable for council tax, mortgage and utility charges. Coupled with rises in interest rates, previous experience of bad tenants, landlords are now looking for more secure ways to guarantee their investments covers costs at a minimum. Longer term lease options provide landlords with more security, and local authorities with the opportunity to increase their stock quickly and effectively, whilst also targeting another local authority's priority- reducing numbers of homes left empty. Councils could look to increase their leasing provision, their purchase and acquisition programmes, and look to the opportunities that empty homes often provide.

Latin American Women's Aid

Latin American Women's Aid shared with us the [Policy and Practice Briefing: Reflections and Recommendations from the Women Against Homelessness and Abuse \(WAHA\) Initiative](#), 2023, as their response to the call for evidence.

London Gypsies and Travellers Submission

Call for Evidence: Temporary Accommodation

London Gypsies and Travellers Submission

London Gypsies and Travellers is an organisation which challenges social exclusion and discrimination, working for change in partnership with Gypsies and Travellers. We work with the community and a range of trusted partners to contribute to the development of local, regional and national policy.

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

Our Accommodation Advice and Advocacy service supports Gypsy, Roma and Traveller families across London. We deliver a weekly advice service which addresses issues of unsuitable/ insecure accommodation and homelessness. In the last few years have seen an increased demand for our service, which is consistently oversubscribed, and it is increasingly challenging to have the capacity to respond.

Based on our casework with Gypsy and Traveller Londoners and broader advocacy and community development work, the key reasons for increasing demand for Temporary Accommodation include:

- a shortage of culturally suitable homes such as Gypsy and Traveller sites and stopping places
- private rented housing in London is unaffordable and presents an increased risk of eviction.
- a lack of social rented homes limits the options for those who can't afford private rental.

The shortage of permanent Gypsy and Traveller sites and the lack of temporary stopping places means that many families have no choice but to either move into housing or live on roadside camps with no basic amenities. Only around 20 new additional family pitches have been delivered by councils across London in more than a decade, as extensions to existing council-owned sites. There are fewer than 500 family pitches on social rented sites across London, and no transit sites for nomadic families. Over 80% of Gypsy and Traveller Londoners live in bricks and mortar housing, which for many is culturally unsuitable.

The recently published Census 2021 figures show that 'in comparison with the England and Wales population, people who identified as Gypsy or Irish Traveller were:

- four times less likely to own their accommodation with a mortgage, loan or shared ownership (9.5% compared with 35.6%)

- over twice as likely to live in social rented accommodation (42.3% compared with 16.6%)¹²

According to the Census 2021 data:

‘People who identified as Gypsy or Irish Traveller were over three times more likely to live in overcrowded accommodation than the England and Wales population (26.5% compared with 8.4%).

In regional data, people who identified as Gypsy or Irish Traveller were more likely to live in overcrowded accommodation across all regions. The highest percentage of overcrowding for this group was in London (32.6%), followed by the North West (29.8%). In comparison, the percentages for the overall population in overcrowded accommodation for these regions were 19.6% and 7.1%, respectively.¹³

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Gypsies and Travellers face multiple disadvantages, inequality and social exclusion. They routinely face extreme prejudice which is fueled by negative stereotypes in the media. The current accommodation crisis for Gypsy and Traveller communities is at the heart of the inequalities they face, as unsuitable and insecure accommodation affects all aspects of life for a family. Many face poor mental health, isolation, and loss of cultural identity.

The key challenges for Gypsy and Traveller Londoners in TA include:

- **Cultural suitability** - The majority of Gypsy and Traveller families have no option but to give up their traditional way of life and move into housing, due to the shortage of sites and stopping places. Cultural suitability of bricks and mortar housing is nuanced, and suitability reviews are not straightforward, nor are they easy to win. Families therefore require considerable support and legal education about the risks of rejecting an offer even if it is unsuitable for their needs.
- **Digital exclusion** causes disadvantage in the homelessness process due to the complex, digital systems and processes related to bidding for a property and liaising with different council departments. We often see families who have been stuck in temporary accommodation for years because they are unable to navigate the digital allocations process, or struggle with the various departments and silos within councils, which can cause unnecessary delays with tasks like submitting homelessness applications or supporting evidence.

¹²<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/gypsyoririshtravellerpopulationsenglandandwales/census2021#housing>

¹³<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/gypsyoririshtravellerpopulationsenglandandwales/census2021#housing>

- **Long stays in TA** -From our experience families are in TA between 3-7 years. This can be due to a lack of suitable accommodation to meet the needs of the family such as the size of the property for larger families or to meet other needs such as disabilities and health issues. There is often family growth during this time which leads to a family living in overcrowded conditions. There is a great deal of competition in the bidding process and as stated above, families can lose out due to a lack of knowledge and skills to navigate the system.
- **Out of Borough/Out of London placements** – being placed in unsuitable temporary accommodation far away from families and support networks has a big impact on many of the families and individuals we work with. For many Gypsy and Traveller people, support and care for children, the elderly or those who experience long-term illness or disability, are intergenerational and based within extended families. According to the Census 2021, Gypsy and Traveller had the highest levels of disability, with 'nearly 1 in 6 (16%) of those who identified as "White: Gypsy or Irish Traveller" saying they were disabled and "limited a lot" in their daily activities by a long-term physical or mental health condition. Another 11% of people identifying in this ethnic group reported being disabled and "limited a little" in their daily activities.'¹⁴ In addition, the Census 2021 analysis mentioned that 'among those who identified as "White: Gypsy or Irish Traveller", about 1 in 20 people (5.2%) provided more than 50 hours a week of unpaid care. Roughly another 1 in 30 people (3.4%) in this ethnic group provided between 20 and 49 hours of unpaid care a week, the highest rate among the 19 groups analysed.'

Our recent report 'Homelessness among young Gypsy and Traveller people in Hackney'¹⁵, based on our advice and support work with young individuals and families experiencing temporary accommodation or precarious housing, sets out some of the key challenges and impacts on the communities which we know are echoed across London. These impacts include:

- Lower health outcomes and life expectancy
- Increased anxiety and mental health problems
- Interrupted education
- Reduced trust and engagement with authorities
- Greater exposure to racism and prejudice

The demand for our accommodation advice and advocacy services increased in the last few years, and our weekly phone and face-to-face appointments are continuously oversubscribed. For a small team this means high pressures on our capacity to meet increasing need.

¹⁴

<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/ethnicgroupdifferencesinhealthemploymenteducationandhousingshowninenglandandwalescensus2021/2023-03-15>

¹⁵ http://www.londongypsiesandtravellers.org.uk/wp-content/uploads/2023/09/LGT_Hackney_homeless_report_21Sept23_web.pdf

Over the past year, we have supported over 500 people living in TA across London through suitability reviews, advocacy to secure repairs within their TA, support with rent arrears issues in TA (due to complexities like being placed out of borough moving between TA frequently), engaging with their Local Councillors and Cabinet Members about TA issues, referrals onto Solicitors to challenge review decisions or other TA problems, ensuring records are up to date with TA tenancy management and generally informing people around their rights within TA.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements

Our Accommodation Advice and Advocacy team has only worked on a couple of cases involving Capital Letters, which had referred clients to our organisation because the services needed additional support.

The Accommodation Advice and Advocacy team usually find that in out of borough placement cases, the approach that works more effectively for clients is to pursue a suitability review, submitting additional evidence on the needs for the family to be placed back in their home borough in order to be able to continue accessing essential health, education or other services and support. This however is only successful in cases that involve complex health or other needs.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

We support the recommendations in the joint letter from the London Housing Panel, the Mayor of London and the London Housing Directors' Group to central government asking for urgent action on Temporary Accommodation, which can be found here https://tfl.ams3.cdn.digitaloceanspaces.com/media/documents/Open_Letter_to_Michael_Gove.pdf

In addition, based on our work with Gypsy and Traveller Londoners experiencing homelessness and temporary accommodation we would like to make a number of recommendations to address the specific impacts on the communities:

- **Provide more culturally suitable accommodation**
Build more council housing and Traveller sites and explore the use of negotiated stopping as an alternative to unsuitable emergency and temporary accommodation.
- **Make homelessness services accessible and inclusive** -Ensure services meet accessibility standards, mitigate digital exclusion, provide translation and interpretation where needed, provide face to face contact with officers.
- **Train local authority and housing officers**

Provide comprehensive training on risks and challenges faced by Gypsy, Roma and Traveller residents to foster a deeper understanding of the unique circumstances these groups encounter when seeking housing.

London Housing Panel

Response from the London Housing Panel and its members
October 2023



1. About the London Housing Panel

The London Housing Panel was set up in 2019 to enable London's voluntary and community sector and the communities it serves to influence the capital's housing policies and practices.

The Panel's work is organised around three principles

1. There is an urgent need to build more social housing in London to tackle its housing crisis and we will always push for prioritising the building of and increasing the amount of, social rented housing over other forms of tenure.
2. By understanding the needs and aspirations of all Londoners, including those who are living most vulnerably, we can ensure house building creates better longer-term outcomes for Londoners.
3. In addition to the building of new, stable homes at social rent, we want more action taken now to address homelessness, particularly statutory homelessness.

Information about Panel can be found [here](#).

2. The Panel's work on temporary accommodation

The Panel brings to the housing emergency including the temporary accommodation emergency, cross-sector partnership working; lived experience and live intelligence about what is being experienced by people in temporary accommodation; and grassroots evidence, insights and research. This covers all pathways into temporary accommodation including local authority homelessness, social services and Home Office.

The Panel has made it a priority to call for urgent action on temporary accommodation. The lack of suitable, affordable and accessible housing has led to a crisis of temporary accommodation. It is so unsatisfactory, and inevitably leads to competing demands for those who are suffering the most – be that children, families, women fleeing domestic abuse, care leavers, people with disabilities and others in vulnerable situations – with groups being played off against each other. **The Panel prioritises a call for an overall net increase in social rented homes and increase in Local Housing Allowance.**

In 2020 the Panel called on the Mayor to use his convening power to achieve urgent action on TA. This led to his committing to convene a roundtable on temporary accommodation. Without borough involvement, the Panel was concerned that the potential for acting on the outcomes of the roundtable would be limited. The Panel therefore invited the London

Housing Directors Group (LDHG) to co-convene the roundtable together with the Panel chair and Deputy Mayor. This led to the creation of a unique cross-sector working group on temporary accommodation which continues to meet, chaired by a member of the London Housing Panel.

In 2023, alarmed by the escalating housing emergency as experienced through the work of Panel members, the Deputy Mayor, Panel and LDHG co-chairs issued a joint open letter to Michael Gove on TA which makes the following proposals (see box).

The full letter can be found [here](#). It has attracted more than 100 signatures from public, voluntary and community groups and organisations.

Prevent homelessness – Invest in the next generation of social rented homes

- Long-term investment in new and existing social rented homes is the only way to bring down the numbers in temporary accommodation and address housing inequalities in London.
- We want government urgently to work with local authorities to address the current supply crisis and bring forward more and better quality temporary accommodation to improve the experience of homeless households and bring down costs to authorities.
- Long term, Local Housing Allowance (LHA) levels are too low. Raising them will mean fewer people become homeless and make it easier for councils to source temporary accommodation.
- We want to see an immediate increase in Discretionary Housing Payment funding to support local authorities through the current crisis.

Raise standards – Regulation must be the government’s responsibility

- Standards in temporary accommodation are inconsistent and often poor. A lack of amenities to cook, do laundry, access the internet or allow children to play safely are affecting child health and development.
- We need new, enforceable national standards for temporary accommodation that are consistent with decent homes standards and will apply to all properties being used for temporary accommodation regardless of who owns them; and regardless of immigration status.
- Location of temporary accommodation matters to all homeless households and it is important for them to stay close to their networks and support. Councils’ efforts to make this possible are currently significantly undermined by the difficulties securing affordable temporary accommodation. We want better understanding about the impact of removing minority and marginalised communities from informal networks that do not exist elsewhere.

Children in temporary accommodation – Our hope

- We want to be able to place all children housed in temporary accommodation under the Children Act or homelessness legislation in accommodation that has a kitchen where meals can be prepared.
- We are committed to working towards everyone in temporary accommodation having a named person and contact information in the local authority to get in touch to report issues.

- We are committed to working towards developing a manual in every borough that helps families settle in, know where to get advice and other support, including informal community groups and networks.

The Panel's TA Working Group will continue to pursue change in the areas outlined in the letter and will continue to monitor the issues it covers by inviting local and community projects to bring their evidence and insights to the working group.

The working group is also planning to commission a pilot 'Encounters & Conversations' project that will bring together people with lived experience and borough housing options teams to work together on identifying ways forward in this situation which is difficult and traumatic on both sides.

3. London Housing Panel – Collective evidence from the Panel

The Panel submits the following evidence. Copies of all the reports referenced are available.

3.1 Review of evidence and research 2020-2022

In October 2021 the Panel co-hosted a [roundtable on TA together with the Deputy Mayor and London Housing Directors Group](#). This identified **seven priority areas for attention: prevention, advice, quality of life, enforcing standards, making best use of existing stock, voice of people in TA, local cross-sector collaboration.**

In 2022, we revisited these priorities and reviewed all research and reports published since the roundtable for what light they could shed on the priorities. Based on this review the joint open letter (see above) was drawn up.

3.2 London Housing Panel's Planning for London Community Conversations

This [Panel-led work with the GLA's Planning for London Programme](#) in 2023 has identified the following issues affecting people experiencing emergency or temporary accommodation as well as other forms of precarious and inadequate housing:

- Safety and safeguarding: people experiencing temporary accommodation talked about a lack of basic safety e.g. window/door locks; a lack of safety and safeguarding due to children being accommodated with adults not of their family; and a lack of privacy that affected their safety.
- Accessibility: people reported problems around accessibility and temporary accommodation. Evidence submitted by Panel member, Inclusion London expands on this.
- Long stays and frequent moves: this combination was damaging to anyone and the impact on health, education, life chances and so on are well documented. We also heard about the effects on people with a visual impairment who have to learn to navigate a new property and neighbourhood every time they move.

3.3 Trust for London Better TA for Londoners Showcase, September 2023

Better Temporary Accommodation for Londoners is a strategic initiative funded by Trust for London and Oak Foundation that aims to strengthen the voice, connections and influence of people in Temporary Accommodation and ultimately to improve people's experience of TA. Information about the fund can be found [here](#).

To mark the end of the first year of the programme, some of the work of the 11 current grantees was showcased at an event.

Sessions included:

- **Research findings** What it's like to be in TA – four new pieces of community-led research profiling the stories of the increasing numbers of people staying in TA. Groundswell launched their co-created research into people's experiences of TA, health and homelessness; London Gypsies and Travellers reported on their year-long project working with young people in Hackney; Positive East's project explored the specific needs and experiences of people living with HIV in TA ; and Central Hill Estate Residents Association gave some interim findings from their work on an estate facing demolition where all residents are living temporarily and some are placed as TA residents.
- **Partnership insights** – Two sessions covered how local authorities in housing and public health can work with voluntary and community sector colleagues, showcasing work in Westminster (Z2K and Justlife,) and Newham (Magpie) and including an early preview of a self-assessment tool being developed by South West London Law Centre on the suitability of TA accommodation.
- **Spotlight on young people** living in TA, drawing on Shelter's 'Still Living in Limbo' research.
- **Exhibition** – a presentation of posters and artwork created by the funded projects.
- **Film showings** – works made by communities showing what it means to be in TA and how solidarity makes a difference.

Some of the key problems identified by the work include:

- TA is not temporary and still using the word is problematic when many stay in one, or a series of properties, for a number of years.
- TA has a detrimental impact on people's physical health due to poor standards and a lack of repairs (including around damp and mould) as well as electrical safety and lack of storage.
- It increases anxiety and mental health problems.
- It interrupts education (long journeys to maintain pre-TA schooling and lack of space to study) and damages the life chances of young people.
- People in TA struggle to meet basic living costs and essentials such as cooking, laundry and internet access (essential for benefit and housing claims) are often more expensive.
- There are poor levels of trust and engagement with authorities, with experiences of discrimination and unequal treatment, short-notice relocations and dislocation from social/family networks exacerbating poor relations.

The showcase also highlighted many examples of positive work being carried out through local authority collaboration with voluntary and community groups:

- Creating Ground’s campaign to tackle digital exclusion has led to a collaboration with LB Greenwich resulting in access to free Sim cards and links to national work with Good Things Foundation and Ofcom.
- Magpie’s work with LB Newham has highlighted that public health holds a unique position as have a different lens to look through which can join up dots and link with other services.
- Justlife’s expanding network of Temporary Accommodation Action Groups (TAAGs) brings together agencies, including local authority representatives, in an area to amplify TA residents’ voices and influence change.

The value of including people with lived experience of TA was exemplified by the research projects and local initiatives, bringing insight, depth and nuance. There were important messages about recognising power relationships and providing recompense for participation.

A film and report of the event are in the pipeline; and the research reports showcased will be available soon.

4. London Housing Panel – Members’ evidence

In this section, members provide their own evidence based on local and community experience and views informed by lived and learned experience, live intelligence, and grassroots insights and research.

4.1 Evidence from Inclusion London

Key issues:

- A significant proportion of people living in TA in London are Disabled people. This includes predominantly people with mobility impairments and mental health needs.
- Temporary accommodation is often unsuitable to the needs of Disabled Londoners. We heard from some Disabled people living in TA that they were placed in accommodation that was physically inaccessible. Living in unsuitable accommodation takes a huge toll on Disabled people’s physical and mental health as it exacerbates pre-existing impairments and creates new ones. For example, Disabled people living in TA face particular challenges maintaining personal hygiene when accessible facilities have not been properly considered or provided. Equally, some people started developing respiratory conditions and skin problems. Some people reported that living in TA exacerbated their mental health issues and increased their levels of anxiety and depression.
- We heard that local authorities are refusing to make housing adaptations to temporary homes because TA is deemed to be a “temporary” accommodation. However, Disabled people stay in temporary accommodation for years due to the shortage of accessible social housing, in particular of wheelchair accessible housing.
- Some local authorities and landlords are often generally slow to respond to enquiries about repairs, housing advice and the care needs of Disabled tenants, if they respond at all. Lifts disrepairs are not often prioritised. This is a huge barrier for Disabled people with mobility impairments who struggle to get in and get out of their homes.

This clearly endangers Disabled people's right to independent living and has a significant negative impact on Disabled people's mental health.

- Disabled people are often offered TA outside their borough due to the shortage of accessible homes in their boroughs. This creates a number of significant barriers for Disabled people. Being placed in a different area creates barriers to accessing health and social care support services or facilities they need. For example, services for Deaf people are not present in all areas. People are also being placed in areas which are far away from their care and support networks which many rely upon.
- Disabled people are sometimes forced to accept unsuitable accommodation when accessible properties are not available. If they do not accept what is being offered to them, they might be taken off the list.

What we would like to see

- The GLA should reduce the need for and duration of stay for Disabled people in TA by increasing the supply of accessible social housing. National government should also invest in genuinely affordable and accessible housing by increasing capital grant funding. Boosting the supply of accessible council homes could be done by building more homes and by increasing funding available through the Right to Buy Back Fund to London Boroughs to enable them to purchase former council homes sold off into the private market. The GLA could require as a funding condition that properties acquired by local authorities meet the Decent Home Standard and accessibility standards (M4(2) and M4(3) set out in the Building Regulations (Part M). The GLA could also ensure that the London Plan accessible housing targets (90% M4(2) and 10% M4(3)) do not only apply to new build homes but also to acquisitions.
- When TA is the only option, the GLA should work in partnership with local authorities and produce a detailed guidance to ensure that:
- they use TA for short periods of time, and they ensure it is appropriate to the needs of Disabled people when Disabled people are placed in TA. They should have robust monitoring processes in place that would enable them to carry out a thorough check of void temporary properties to ensure they are categorised correctly based on their accessibility levels.
- they do not unreasonably refuse to make adaptations to TA for those Disabled people who need them as recommended by OTs. When adaptations are made to temporary homes, these homes could then be allocated in the future to Disabled people who need adapted homes.
- They prioritise lift disrepairs to ensure Disabled people can get in and get out of their homes.

4.2 Evidence from London Gypsies and Travellers (LGT)

a. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

From our homelessness advice and advocacy work with Gypsy and Traveller Londoners, the key reasons for increasing demand for TA include:

- a shortage of Gypsy and Traveller sites, stopping places and culturally suitable alternatives
- private rented housing in London is unaffordable and presents an increased risk of eviction
- a lack of social rented homes limits the options for those who can't afford private rental.

The extreme shortage of sites and the lack of temporary stopping places means that many families have no choice but to either move into housing or live on roadside camps with no basic amenities. The 2008 London-wide Gypsy and Traveller Accommodation Needs Assessment showed that over 800 new pitches were needed but only about 20 have been delivered by councils across London in more than a decade. There are fewer than 500 family pitches on social rented sites across London, and no transit sites for nomadic families. Over 80% of Gypsy and Traveller Londoners live in bricks and mortar housing, which for many is culturally unsuitable.

b. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Gypsies and Travellers face multiple disadvantages, inequality and social exclusion. They routinely face extreme prejudice which is fuelled by negative stereotypes in the media. The current accommodation crisis for Gypsy and Traveller communities is at the heart of the inequalities they face, as unsuitable and insecure accommodation affects all aspects of life for a family. Many face poor mental health, isolation, and loss of cultural identity.

The key challenges for Gypsy and Traveller Londoners in TA include:

-Cultural suitability - The majority of Gypsy and Traveller families have no option but to give up their traditional way of life and move into housing. Cultural suitability of bricks and mortar housing is nuanced, and suitability reviews are not straightforward, nor are they easy to win. Families therefore require considerable support and legal education about the risks of rejecting an offer even if it is unsuitable for their needs.

-Digital exclusion and lower literacy cause disadvantage in the homelessness process due to the complex, digital systems and processes related to bidding for a property and liaising with different council departments. We often see families who have been stuck in temporary accommodation for years because they are unable to navigate the digital allocations process, or struggle with the various departments and silos within councils, which can cause unnecessary delays with tasks like submitting homelessness applications or supporting evidence.

-Long stays in TA -From our experience families are in TA between 3-7 years. This can be due to lack of suitable accommodation to meet the needs of the family such as the size of the property for larger families or to meet other needs such as disabilities and health issues. There is often family growth during this time which leads to a family living in overcrowded conditions. There is a great deal of competition in the bidding process and as stated above, families can lose out due a lack of knowledge and skills to navigate the system.

A recent report based on our advice and support work with young Gypsies and Travellers in Hackney experiencing temporary accommodation or precarious housing sets out some of the key challenges which we know are echoed across London.

http://www.londongypsiesandtravellers.org.uk/wp-content/uploads/2023/09/LGT_Hackney_homeless_report_21Sept23_web.pdf

The demand for our accommodation advice and advocacy service has hugely increased in the last few years, and our weekly phone and face to face appointments are continuously oversubscribed. For a small team this means high pressures on our capacity to meet increasing need.

Over the past year, we have supported over 500 people living in TA across London through suitability reviews, advocacy to secure repairs within their TA, support with rent arrears issues in TA (due to complexities like being placed out of borough or moving between TA frequently), engaging with their Local Councillors and Cabinet Members about TA issues, referrals onto Solicitors to challenge review decisions or other TA problems, ensuring records are up to date with TA tenancy management and generally informing people around their rights within TA.

People's Empowerment Alliance for Custom House (PEACH)

1. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

Many of our members have been living in TA for over a decade and are unable to plan for theirs and their children's futures. The challenges they face range from the psychological impact of living in long term insecurity to the physical health impacts of living with damp and mould. These challenges are further exacerbated by the council's systems for reporting repair issues and bidding on council housing which are poorly managed and hard to navigate. On top of this, the residents of Custom House and Canning Town are living in an area undergoing massive regeneration meaning they have the added challenge of fighting for their right to a secure, affordable home in the new developments being proposed.

Background to PEACH members living in TA

During a period of over 10 years (2010-2020), Newham Council used various schemes as part of fulfilling their main housing duty towards homeless households. **Approximately 250 residents with homelessness priority were placed in the Custom House and Canning Town Regeneration Zone where temporary accommodation provider Tando-Omega Ltd leased council-owned properties.** Although these assured shorthold tenancies were set out in line with the local housing allowance, the rents were still approximately 2x higher than that of secure council tenants living in the London Borough of Newham.

In 2014 Tando-Omega was acquired by Mears PLC, one of the largest providers of social housing in England, and the company took over the 250 temporary tenancies as part of the portfolio. Persistent problems with the quality of homes, lack of repair & maintenance and unaffordable rents remained, however. Furthermore, in line with criteria set under the **Localism Act 2012**, homeless households placed to properties managed by Mears (or Local Space – another TA provider) were deemed to be "adequately accommodated" and **removed from the Housing Waiting List or prevented from bidding for secure homes.**

After a long battle, PEACH members won their campaign, breaking the contract with Mears and getting their temporary homes taken back under council management. This life changing win saw £300,000 worth of rent arrears written off and rents reduced by 60%, meaning that they were no longer paying over double the rent of their neighbours living in council managed properties. However, problems with disrepair persist and residents struggle to get their repairs addressed.

Disrepair and poor refurbishment

In 2021, PEACH members got organised once again and a successful petition, signed by 90% of residents across organised blocks, won the significant investment from Newham Council on an interim refurbishment programme promising to bring their homes up to the ‘decent homes plus standard’ with a 30-year life.

While this was another big win that led to the council spending more money on their homes, two years on many residents are still living with mice, rats, leaks, broken windows, damp and mould. The key issues are;

1. **The quality of the work** - The root problems are not being fixed. Contractors are painting over the cracks and mould and the problems return within a matter of weeks
2. **Communication & escalation routes** – residents have to raise issues over and over again before they get solved. It takes a lot of work to be listened to, and sometimes the issues never get fixed and people give up. The programme is very delayed and PEACH members are effectively having to help the council manage the repairs and refurbishment programme that they committed to deliver.
3. **Residents living in building sites which makes us and our children sick** – extensive works are being carried out with residents still living there, causing disruption to family life including children’s study.

One of our members who was living in severe damp and mould reported that his 6-month-old baby suffered from chest infections, skin problems and hair falling out. The family’s complaints about the mould were not taken seriously for 4 years until they finally got involved with PEACH and together we managed to get the family moved to a new property while extensive work is carried out. This is not an isolated case and the work is still ongoing after significant delays meaning the family have been out of their home for months.

The impact of regeneration

The huge challenge currently facing Custom House and Canning Town’s temporary tenants is Newham’s looming regeneration plans that are currently being voted through. New families are still being moved into TA on estates that are earmarked for demolition and are not being made aware of this. Only residents who have lived in TA a certain length of time before the regeneration plans are voted through will have the right to a home in the new scheme meaning more uncertainty for families new to the area. Another concern is that many residents are not aware of the type of tenure they have, meaning they may misinterpret what they are entitled to in the regeneration. For example, we were recently approached by the son of a woman living in TA in Canning Town who was shocked to discover that his Mum does not have a secure tenancy despite living there for 22 years.

Temporary tenants who *are* eligible for a home in the regeneration scheme will only be entitled to a property at London Affordable Rent (LAR). There is lots of confusion around the term ‘affordable rent’ with it often used interchangeably with ‘social rent’. The Mayor of Newham, Rokhsana Fiaz, pledged that 50% of the properties built in the regeneration would be at **social rent** levels yet now the vague term ‘affordable’ has crept into the conversation. ‘Affordable’ means up to 80% of market private rents and, even with housing benefit subsidies, leaves many people without enough money for food, bills, and other basic living costs. 3 out of 4 definitions of ‘affordable housing’ are not genuinely affordable and would not uphold the Mayor’s promise of 50% social homes.

1. London Affordable Rent

Aimed to be like Social Rent but can be up to 80% of market rate with service charges. 2 bed approx £650- £1,022 a month.

2. London Living Rent

Aimed at middle-income homes. Based on 1/3 of median average after-tax household income for the local borough. 2 bed approx £642-£1022 a month.

3. Shared Ownership Sales

Aimed at middle income families. Payment of mortgage, plus rent, plus service charges. 2 bed approx £1,100 a month.

4. Social Housing with Newham

Aimed at low income families and set by the council under law. 2 bed approx £500 a month.

Changes in eligibility for housing over time

Only homeless applicants who are assessed by the council as being in ‘priority need’ (Part VII Housing Act 1996, Homelessness Act 2002) are placed in TA under the Main Housing Duty. Families with dependent children automatically have priority need, but if they are living in TA for a long period of time their circumstances may change, leaving them vulnerable to eviction once their children are over 18 and no longer dependent.

PEACH members have concerns that this will happen if housing priority is reassessed when the regeneration happens. PEACH members experienced this happening during the breaking of the Mears contract. 18 PEACH members were negatively affected as a result of being reassessed under homelessness legislation. While 3 of these cases were successfully challenged, the remaining 15 families were discharged into the private rented sector.

Problems with bidding on social housing

Finally, many of our members living in TA have been deemed “adequately accommodated” and therefore have been removed from the Housing Register or are prevented from bidding for secure homes.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Newham needs to build more genuinely affordable homes for the community it has and make temporary tenants secure tenants, meaning they have the same rights as secure tenants when the regeneration happens. Having sufficient affordable homes in the regeneration will avoid ‘out of borough’ placements. We also support the call for a large-scale social housing building programme to address the shortage of genuinely affordable housing across the capital.

PEACH Case studies:

Temporary tenants and the fight for sustainable, permanent homes

Mears tenants case studies

- 1. B’s Story** - B is a single mother of two with an European migrant background. She moved to Newham in 2009, building on her social capital and attracted by rents that were lower at that time than in other boroughs. B and her children were private renters in a house of multiple occupation then a studio flat. Due to health and safety issues the family was forced to leave both properties, with the loss of the initial deposits paid and unable to find accommodation on their own.

B was not eligible for Housing Benefit or housing help until she started getting Jobseeker’s Allowance and remained hidden homeless for months. In March 2010 the council accepted homelessness duty and put B to B&B type emergency accommodation, followed by an assured shorthold tenancy with Tando/Omega as landlord. The initial rent was set at £1188/month which was within the Local Housing Allowance limit but still 2.5 times higher than the rents of secure council tenants. It was also not specified to her that this was a temporary tenancy or how long it would be for. Like the rest of Tando/Omega tenants, B was removed from the Housing Waiting List in 2012 and the implications were not explained to her.

In 2014 Mears became landlords to the 250 temporary tenants, with existing repair & maintenance issues getting worse across the properties. B was working in retail intermittently but could not cope with the high rents. She started university in 2016, hoping to get a better job and be able to move to a better home. However, delays with housing benefit resulted in Mears

attempting to evict the family in 2017. Denied help from the council, B got into debt to clear the arrears and the eviction got suspended.

Between 2011 and 2019, the condition of homes in the Lawrence Street neighbourhood of the Canning Town Regeneration Zone was deteriorating rapidly. Identified as a “sink estate” with deep socio-economic problems, the area had undergone “managed decline” since the early 2000s. The properties taken over by Tando then Mears were especially badly affected because the landlord had no other incentive than profiteering, allowing for tenants to continue living with dangerous levels of disrepair for an unspecified time. When B realised that the council was also making money from the scheme and turned a deaf ear to the pleas of tenants like herself, she decided to take action. She turned to the People’s Empowerment Alliance of Custom House (PEACH) and explained that the situation was becoming intolerable for residents in their area. The plight of Mears tenants in Custom House and Canning Town resonated well with PEACH members and the organisation spent years campaigning for the properties to be taken back under council management.

Thanks to community organising and collective action from Mears Cats under the umbrella of PEACH, the ward councillor then mayor Rokhsana Fiaz promised to break ties with Mears. In 2020 Summer the Mears Cats made a documentary film that recorded their experiences, prompting a wave of negative publicity and the ending of Mears contract over a period of one year. By this point, B’s home became uninhabitable and the family was featured in the short film as well. Newham Council finally rehoused B and her children in September 2020 and they became temporary council tenants in Custom House where they remain to this day.

Following her move, B experienced problems with Universal Credit and Housing Benefit which took 9 months to resolve while getting back to the Housing Waiting List was the result of complaints made over a period of 2.5 years. The housing register application of B, however, was not backdated beyond 2019, owing to a lack of legal knowledge/ intention to deal with more complex cases by the council’s housing officers. This means that although B bids for a council/HA home on a weekly basis, her position on the bidding list is never high enough to get a secure tenancy. As her children are growing up, B is left worried about the future but determined to fight with other residents for continuing positive changes.

2. **F’s Story** - F and her son became homeless in 2011 when they were discharged from a mother and baby unit and family problems meant that they had nowhere to go.

In November 2011 Newham Council moved F and her child to a Lawrence Street property managed by Tando/Omega.

Like many others in her situation, F wanted a better life for herself and her child. She gained qualifications and worked a number of different jobs but being an insecure tenant of Tando/Omega then Mears meant that she struggled with the high rent and increasingly grim living conditions in her block and wider neighbourhood area.

By 2019, F had developed serious health issues and she had to reduce her working hours. The disrepair of her home included windows that would not close and a faulty entry door. She took legal action against Mears but could not secure a good deal. Her situation improved in 2020 when PEACH expanded its community organisation to Canning Town and by September 2021 Mears properties went back under council management. As a result of LBN breaking ties with Mears, the majority of ex -Mears tenants like F became temporary council tenants.

As part of the community organising and empowerment agenda of PEACH, elected tenant representatives started to record all repair issues and hold regular meetings with the council. Although the windows of F had been changed and her home became less cold, her health condition progressed and she became disabled. She could no longer manage the stairs in her home and also had to be hospitalised several times. Following a social care assessment the council established that F needed urgent rehousing. Her medical condition was taken into consideration and she was awarded “emergency priority” on the housing waiting list.

By this point F was becoming desperate and she felt that her housing was severely affecting her quality of life. B had been a neighbour of F for a number of years and she was shocked to see F. living in a property where the conditions made her health deteriorate to the point where she became housebound. F was bidding for a property regularly and came to the top of the list a number of times yet she was fobbed off with excuses from the council and not rehoused. In April 2022 B suggested that F book an appointment with the Stratford Housing Hub of Newham Council and explain her situation to a Lettings Agency Officer, demanding an urgent solution.

F took the advice from B and had an appointment with council officers. One week after her meeting she was contacted with an offer for an accessible council property. F has now moved to her new home which is on a “fixed term secure council tenancy” with a 5 year initial contract. This gives some cause to worry because it is up to the council to renew the tenancy or not. However, F is happy that she no longer has to struggle with stairs and she has regained some independence.

3. **A’s Story** - In 2011 A became homeless and moved to an assured shorthold tenancy by Newham Council. The property was part of the 450 local authority homes transferred to social landlord Local Space ,a registered charitable provider of housing owned by the London Borough of Newham. Repairs and maintenance were consistently poor with a rent that was much higher than that of secure council tenants. Although A was not removed from the Housing Waiting list ,she has been waiting for a permanent home for 16 years. A was initially fed up and feeling low when she started attending PEACH meetings. By becoming a founding member of the PEACH Workers Cooperative, A gained meaningful employment and continued to fight for better conditions in the area. After years of being vocal and taking part in PEACH campaigns, A

has recently got a temporary council tenancy and relocated to a property that has undergone refurbishment. A feels that the quality of her life has improved and she is happy to see her community living in better quality housing but she remains concerned about the council's Regeneration plan and getting permanent homes.

4. **S's Story** - S is of a migrant background who has been settled in the Custom House area for 12 years first as a Mears then a temporary council tenant. Single parent households like that of S make up a high percent of residents in the Custom House and Canning Town neighbourhood. S is a chef with several other qualifications and she has been an active member of PEACH for 5-6 years. Along with her 3 children, S participated in most PEACH campaigns and she has been keen to see local entrepreneurship, especially female-owned businesses take off. She also wants people to take ownership of problems like disrepair and anti-social behaviour and acted as a Mears Cats repairs representative. Although her neighbourhood has undergone some refurbishment, S points out that the council did not do a good job and PEACH members have a long fight ahead if they are to live in a permanent, sustainable community and decent homes. S has been bidding for a secure social home since 2019 but the council refused to backdate her application further which means S is still not close to getting a permanent home and remains a temporary council tenant.

Roma Support Group

Call for Evidence: Temporary Accommodation

[Roma Support Group](#) was the first Roma-led charity to be established in the UK. Since its founding in 1998, the organisation has assisted thousands of Roma families in accessing welfare, housing, education, and employment, as well as empowering Roma communities through a wide range of advocacy and cultural programmes.

1. What are the reasons for the high demand for TA in London and how has demand changed over recent years?

For communities we work with (east European Roma), one of the main reason the demand is high for TA is rogue landlords. Many of our clients in TA have been victims of illegal eviction from rogue landlords. E.g., A family with two children rented a room in a house. The landlord had helped the family find work and gained control of their finances. The family reported the situation to the children's school, the police and the local authority housing team. Two days after the reports were made, the landlord threw all of the families' possessions onto the street and changed the locks.

Demand is high also because of legal section 21 evictions making our clients homeless.

2. What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

A primary challenge experienced by our clients in TA is getting necessary repairs done. In the majority of cases repairs are not completed, making TA unsuitable. For example, one of our clients with two children was placed in TA with a faulty boiler, drafty windows and a broken door. Because of this they spent all their money on heating. Despite reporting this to the council on a weekly basis, no repairs were made.

Another challenge for our clients in TA is the lack of information and support given for them to get on the housing register, and to go through the bidding process. While the odd informational leaflet or email might be provided, this is not accessible for many of our clients who are digitally excluded, have low English literacy skills, and have not navigated these systems in the past.

Similarly, there is not enough support given for our clients to apply for UC once they are in TA. Many are told to apply but not supported or given enough information to do so.

The latter two challenges put a lot of pressure on our advice service. Along with assisting clients to get on the housing register and apply for UC, we also need to help our clients to set up utility accounts in their name and pay for council tax. This is a labour-intensive process as for many of our clients, this is the first time they have ever had to do this.

3. How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

We are not aware of any specific GLA initiatives. However, it does not appear that there is a supply of good TA, and it seems that there are too many out of borough placements.

4. What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Build more affordable housing and social housing.

Create an effective system to ensure repairs are done, with improved communication between local authorities and TA providers. If repairs are not done in time, tenants should be able to make repairs themselves and take the cost of the repair out of their rent. There should be harsh penalties for housing providers and landlords if repairs are not done in time. Those that repeatedly neglect tenants by refusing to undertake repairs should lose their contracts.

Capital Letters

London Assembly Housing Committee Call for Evidence on Temporary Accommodation – Response from Capital Letters

October 2023

About Capital Letters

1. Capital Letters is a not-for-profit organisation owned by London boroughs, and supported by central government, that exists to find affordable housing solutions to alleviate and reduce family homelessness. We are grant funded by DLUHC until March 2024, with reserves for a further year, at which point we aim to be financially self-sustaining.
2. We were established in 2019, with the support of the GLA and London Councils, as a pan-London vehicle to support boroughs in managing the challenges of homelessness. These challenges have continued to build, and our work has never been more important.
3. Our focus is on families who need a home. We know that a secure, good quality, safe, affordable home is the key to a successful life. We procure properties from private landlords so boroughs can help households to avoid homelessness or move out of temporary accommodation. Properties are provided on two-year tenancies, with support to sustain these. We are also entering into leases to manage properties as a private landlord and offer these to member boroughs to increase supply.
4. Our team of experts works collaboratively with investors, property developers, landlords, and local authorities to make letting private homes to low-income or benefit-dependent families financially viable and attractive. Our aim is to reduce the burden on the public purse, drive up standards in the private rented sector (PRS) and make affordable private rented homes accessible to everyone.
5. We operate pan-London and have a deep understanding at both strategic and operational levels of the PRS across the Capital. We have been tracking the changes in the sector and the impact this is having on London since the lifting of the pandemic restrictions.
6. An independent review by the consultancy firm, Campbell Tickell, found that a key strength of Capital Letters is that it is owned and controlled by London boroughs and exists for the benefit of London. They said that it **“represents an important and unique housing collaboration in London, with the potential to realise significant financial benefits for London Boroughs, and benefits for homeless households.”**

Executive Summary

7. The housing crisis we are facing cannot be understated. The number of families in temporary accommodation (TA) is at the highest level we have ever seen, with nearly 60% of those families in London. This is putting a significant strain on boroughs' finances and moreover will have a devastating societal impact on children's health, development, and life chances. A recent report from Inside Housing outlined starkly: *"Young children in temporary housing often go to school tired, dirty or so poorly developed that they are not even ready to start reception."*
8. A lack of housing supply across all sectors and particularly the private rented sector is the main challenge facing local authorities in discharging their homelessness responsibilities.
9. Research that we published earlier this year with the Trust for London and London Councils found a 41% reduction in the number of properties available for private rent in London since the pandemic. At the same time, rents are 20% above their pre-Covid level.
10. The reduction in rental properties and increase in rental prices has a disproportionate impact on lower income tenants given that Local Housing Allowance (LHA) rates have been frozen in cash terms since April 2020. According to Shelter, one in three renters receive help to pay their rent through universal credit or legacy housing benefit. The LHA sets the maximum amount they can claim and is meant to ensure that people can access the cheapest 30% of local homes. The reduction in supply coupled with rents that have risen whilst LHA remains unchanged means that there are both fewer properties available overall and an even smaller pool that are affordable at the LHA rate.
11. Between January and March this year, just 2.3% of London listings on Rightmove were affordable to those using the LHA to pay their rent – down from 19% in 2020/21.
12. As well as the proportion of housing covered by LHA rate decreasing dramatically, many more families remain trapped in temporary accommodation as the restricted LHA rates make it impossible to find them secure and affordable private rented accommodation. This also means London boroughs are unable to discharge their homelessness duty, with their costs increasing accordingly.
13. From our inception in 2019 to the end of the financial year in March 2023, against the backdrop of the pandemic, we have offered 6,300 homes to member boroughs to provide secure homes for families so that they can move out of temporary accommodation. Boroughs have collectively saved or avoided at least £129 million in TA costs as a result.
14. We have demonstrated that the collaborative model works to reduce family homelessness across London – our strategic, partnership approach has enabled us to achieve more than boroughs can alone. By working collaboratively and pooling procurement services, we have the capacity to negotiate more effectively with landlords, reduce costs and increase supply.

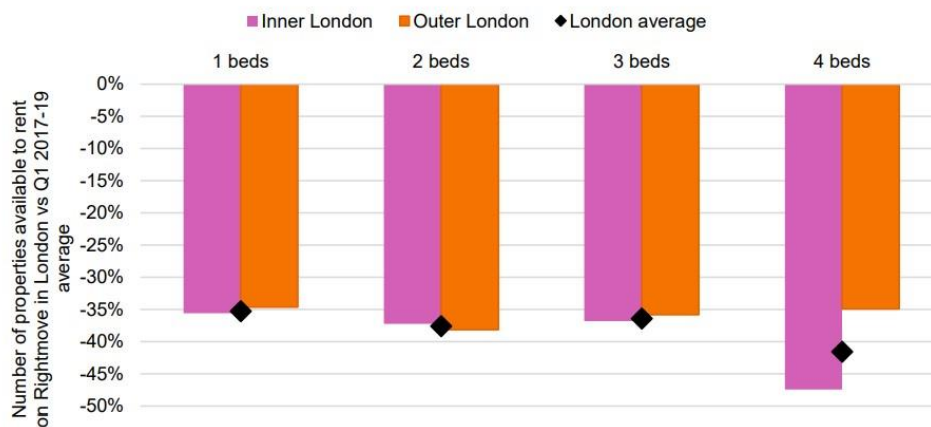
15. An independent review found that there is widespread support for Capital Letters as an important piece of pan-London infrastructure. It commented that if Capital Letters did not exist, *“there would be an imperative to establish such a collaboration, particularly in the context of the very challenging homelessness and accommodation pressures facing London”*.
16. However, our ability to find homes which are accessible for low-income households is being hampered by the supply crisis in the PRS. This must be addressed in order to reduce TA levels in the Capital. We are calling on the Government to unfreeze Local Housing Allowance and track market rents into the future to ensure that it always covers the lowest 30% of local homes. It must also apply a commensurate increase to the benefit cap to ensure that all households benefit from this increase in ability to find a secure home. At the same time, the supply crisis must be reversed through encouraging landlords to stay in the market and invest in upgrading their homes.

Question 1: What are the reasons for the high demand for TA in London and how has demand changed over recent years?

17. A lack of housing supply across all sectors and particularly the private rented sector is the main challenge facing local authorities in discharging their homelessness responsibilities. For the housing market to function effectively, supply needs to be available at all price points and all tenures – the availability of more expensive properties (whether to buy or rent) frees up properties at the lower end of the market for those that need it most.
18. Across the board, we are seeing a reduction in new supply. Looking at the major housebuilders, all are projecting reduced outputs for the year ahead, with many citing lower demand from buyers caused by rising interest rates as a reason for their decrease in building activity. This will have a knock-on impact across the housing sector. Similarly, in the face of rising inflation and interest rates, major G15 housing associations have [said](#) that they will be focusing their resources on improving existing stock, with constrained development programmes.
19. Research¹⁶ published in July by Savills and the LSE that we commissioned jointly with The Trust for London and London Councils found that:
 - There has been a 41% reduction in the number of homes available for private rent in London compared with the pre-Covid 2017-19 average.
 - The report notes: *“The volume of properties becoming available to let is now substantially lower than it was pre-Covid and during the pandemic, and demand is still exceeding the available supply. This has partly driven strong rental growth in London over the last 18 months.”*

¹⁶ LSE Consulting and Savills, July 2023, *Supply of Private Rented Sector Accommodation in London*, available at: <https://beta.londoncouncils.gov.uk/news/2023/sharp-fall-private-rental-listings-means-londons-housing-pressures-going-bad-disastrous>

Figure 1 – No. of properties available to rent on Rightmove in London vs Q1 2017-19 average



Source: Rightmove (Q1 2023 vs Q1 2017-19)

- Whilst there has been a reduction in rental listings across the whole of Great Britain since the pre-Covid average, the decline has been steeper in the Capital, at -41% compared with -33%.
- At the same time, tenant demand continues to outstrip new supply in London. The report notes: “Following the lifting of all Covid restrictions in summer 2021, the gap between tenant demand and new supply opened up and has been maintained. This imbalance has contributed to the strong rental growth for new lettings that London has experienced since restrictions were lifted in July 2021. Earnings growth has also been a factor in pushing up rents. Average earnings (in Great Britain) are now 18% above pre-Covid levels, according to Oxford Economics.”
- As a result of this supply and demand imbalance, rents are now 20% above their pre-Covid level and the report outlines that further growth is likely: “The weakness in new supply coming to the market indicates that further rental growth is likely in the short to medium term, especially if earnings continue to rise and the population continues to grow. This particularly affects local authorities who procure accommodation in this market and benefit-claiming households, who have not had an equivalent increase in income.”
- The reduction in rental properties and increase in asking prices has a disproportionate impact on lower income tenants given that Local Housing Allowance (LHA) rates have been frozen in cash terms since April 2020. There are both fewer properties available overall and an even smaller pool that are affordable at the LHA rate.
- Just 2.3% of listings on Rightmove in 2022-23 were affordable for those using Local Housing Allowance in London. This is down from 19% in 2020-21 following the uplift in the LHA during the early stages of the pandemic. The reality is likely to be starker as we know that often properties are going for more than their listed price given the competition.
- The report outlines: “The growth in wages and rents is stark compared to the freeze in LHA. People in receipt of benefits or needing to procure at benefit levels are at a significant disadvantage compared to others in the market.”

Landlords are leaving the lower end of the market

20. The Savills and LSE research found that London's buy-to-let market is contracting as landlords exit the sector due to increasing costs, more demanding requirements and uncertainty over future policy.
21. It notes: *"Landlord focus groups and online forums cited a number of recent or planned economic and regulatory changes that have led more landlords to consider selling. These included the abolition of no-fault evictions (Section 21), local licencing requirements and increased mortgage rates, and more demanding requirements for EPC ratings...Few of our respondents reported that they were growing their portfolios. More said they were taking money out to pay for their retirement or to invest in other asset classes, and many said this was a relatively recent decision."*
22. According to the LSE's survey, of landlords that were making changes to their portfolios, 2.5x more were reducing their holdings than increasing them. This tended to be a recent decision rather than part of a long-term plan.
23. The report also found that profitability for landlords with a mortgage is the lowest since 2007: *"There is evidence that it is less profitable to be a landlord than in previous years, for those using debt to fund property acquisition. The combination of the removal of mortgage interest tax relief with increasing interest rates has led to a significant increase in the cost of paying mortgage debt and driven profitability down steeply."*
24. The LSE and Savills report further found that the landlords most likely to let to councils and the lower end of the market are those considering leaving it: *"Surveys and focus groups identified that the smaller, more accidental landlords are the ones leaving the market. From landlord and local authority comments, these also appear to be the landlords that are more likely to let to a council, compared to career or portfolio landlords who appear less likely to let to the lower end of the market and less likely to sell at the moment."*
25. In addition, the research found that of those landlords not selling, many are tending to move away from catering for TA and homelessness prevention:
"Our survey shows 40% of landlords who had let to tenants with low incomes in the past have reduced their exposure in the last two years. Many said this was a recent decision rather than part of a long-term plan, and was influenced by rising costs, concerns about housing management requirements, and higher rents commanded elsewhere in the market... Against the backdrop of increased operating costs due to inflation, mortgage interest rates, and some regulatory requirements, plus a policy environment that promises changes to tenancy law, landlords' fears around nonpayment of rent and damage to property can make them less prepared to let in the lower end of the market."
26. Of the landlords currently letting on Assured Shorthold Tenancies through London local authorities directly or through Capital Letters, or who had done so in the last two years, 38% were now letting fewer properties in this market than previously. Almost

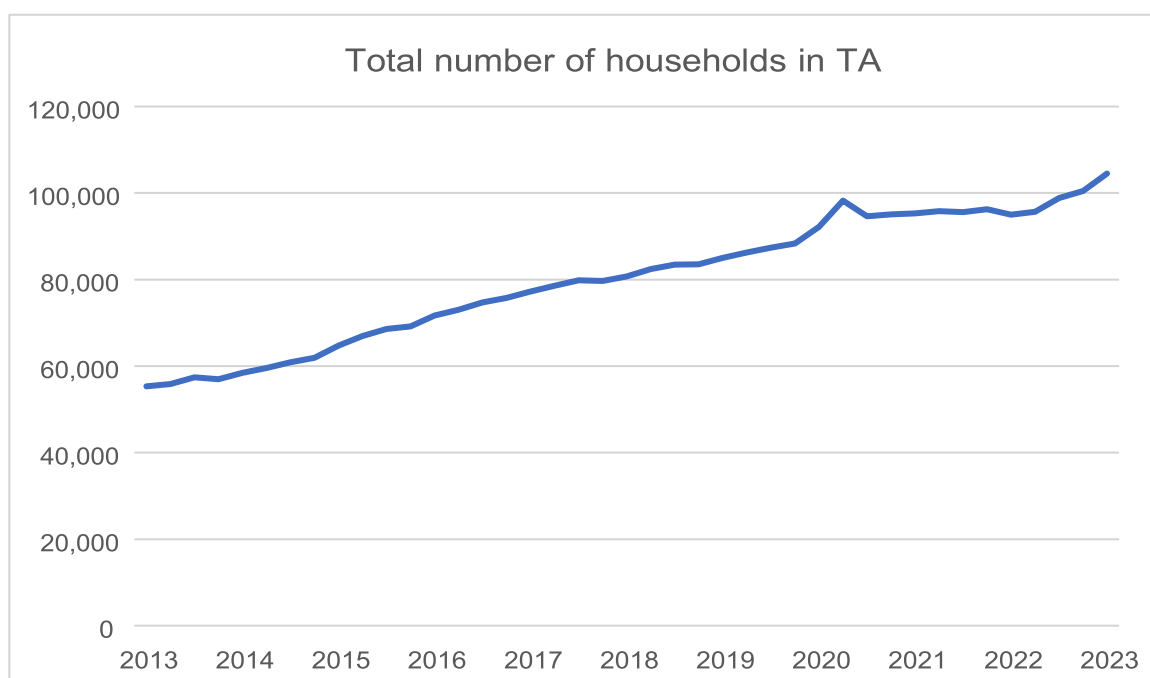
all of them still owned and let out the relevant properties, just not to this group. This is making procurement at LHA levels far more challenging.

27. Reasons given for reducing exposure to the homelessness prevention part of the market included increased costs that were not sufficiently covered by rent and LHA rates, and concerns about the lack of Universal Credit direct payments leading to an increased risk of arrears. Tighter standards including proposed changes to required Energy Performance Certificate (EPC) ratings and licensing were also mentioned.

The supply crisis is having a significant impact on affordability; in turn increasing the number of families in temporary accommodation and the homelessness costs borne by local government.

28. As a result of the lack of affordable housing supply, homelessness presentations and costs are increasing for all boroughs.
29. In addition to the lack of affordable homes meaning that many families are at risk of being pushed into homelessness, many more remain trapped in temporary accommodation as the restricted LHA rates make it impossible to find them secure and private rented homes to move into that they can afford. This also means London boroughs are unable to discharge their homelessness duty with their costs increasing accordingly.
30. The availability of temporary accommodation is also affected by demand from other bodies looking to procure accommodation, for example the Home Office for refugees and asylum seekers. There should be a coordinated, cross-departmental approach to procuring properties to ensure that different bodies, such as the Home Office and local authorities, are not chasing the same properties, inadvertently driving up costs for the other as is currently the case.
31. The latest government data¹⁷ shows that 104,510 households were in temporary accommodation in England in Q1 of 2023. This is the highest number on record and a significant increase on the pre-pandemic average. In Q1 of 2019, there were 85,040 households in TA.

¹⁷ DLUHC, Statutory homelessness live tables, available at:
<https://www.gov.uk/government/statistical-data-sets/live-tables-onhomelessness>



Total number of households in TA, source: DLUHC

32. London Councils' most recent survey of boroughs, published in August 2023, estimates that almost 170,000 people in London are homeless and in temporary accommodation: approximately one in 50 Londoners¹⁸.
33. The 2023 Homelessness Monitor¹⁹ finds that 85% of councils across England are facing an increase in people experiencing homelessness, the highest number in any year since the survey began in 2012. 88% of councils report an increase in requests for support from those evicted from the private rented sector, while 93% anticipate a further increase over the coming year. The Monitor also finds that 97% of local authorities say they have struggled to source private rentals over the past year.
34. Rising homelessness numbers are putting a significant strain on boroughs' finances. London Councils estimate that boroughs are collectively spending £60 million each month on temporary accommodation costs. In addition, it is estimated that the net

¹⁸ London Councils, *One in 50 Londoners homeless as 'housing disaster unfolds in capital'*, available at: <https://beta.londoncouncils.gov.uk/news/2023/one-50-londoners-homeless-housing-disaster-unfolds-capital>

¹⁹ Crisis, 2023, *Councils across England running out of options as demand from households facing homelessness soars*, available at: <https://www.crisis.org.uk/about-us/media-centre/councils-across-england-running-out-of-options-as-demandfrom-households-facing-homelessness-soars/>

deficit across London boroughs' homelessness services is on course to reach £244m in 2023-24, an increase of 37% on the estimated deficit in 2022-23²⁰.

35. The impact of the rising use of TA is not just having a financial impact on local authorities, but also a wider societal one through the impact on children's health, development and life chances. This will all add increasing future pressures on the public purse.

Question 2: What are the main challenges experienced by your clients in TA in London and what challenges are you facing as an organisation supporting those in TA?

36. As outlined above, the main challenge we are facing is the lack of affordable housing supply. There are simply not properties available for us to procure for our member boroughs that are affordable for those in TA.

Question 3: How well are pan-London and mayoral initiatives working to increase the supply of good quality TA and reduce the number of out of borough placements?

37. Against the backdrop of the pandemic, from our inception in 2019 to the end of the financial year in March 2023, we have offered 6,300 homes to member boroughs to provide secure homes for families so that they can move out of temporary accommodation (TA). Boroughs have collectively saved or avoided at least £129 million in TA costs²¹.
38. Capital Letters is unique. Over the years there have been many attempts to implement a pan-London approach to managing homelessness; apart from the introduction of Setting the Standard (a pan-London temporary accommodation inspection service), this has not been successful. From inception, we have worked in partnership with our members to agree and co-design the principles underpinning our collaboration. This has included our shared operating processes, agreed consistent property standards, standard levels of incentive payments for landlords and implementation of our bespoke allocations system ensuring all members are offered a fair share of the properties Capital Letters procures.
39. An independent review by the consultancy firm, Campbell Tickell, commissioned by Capital Letters and London Councils, found that a key strength of Capital Letters is that it is owned and controlled by London boroughs and exists for the benefit of London. They said that it "*represents an important and unique housing collaboration*

²⁰ London Councils, *One in 50 Londoners homeless as 'housing disaster unfolds in capital'*, available at: <https://beta.londoncouncils.gov.uk/news/2023/one-50-londoners-homeless-housing-disaster-unfolds-capital>

²¹ This figure is based on LSE research⁶ using section 151 officer data to calculate the cost of £15,000 per family in TA for one year x the 2 year Capital Letters Assured Shorthold Tenancy and the number of properties that have been let.

in London, with the potential to realise significant financial benefits for London Boroughs, and benefits for homeless households.”

40. The review also found that **there is widespread support for Capital Letters as an important piece of pan-London infrastructure**. It commented that if Capital Letters did not exist, *“there would be an imperative to establish such a collaboration, particularly in the context of the very challenging homelessness and accommodation pressures facing London”*.
41. Working across the Capital gives us a unique insight into the needs of boroughs, landlords and tenants and an overview of the market. By working collaboratively and pooling procurement services, we have the capacity to negotiate more effectively with landlords, reduce costs and increase supply. For example, we have:
- **Secured agreement on a single price incentive across London** to provide certainty about the cost of procurement per property, driving down costs and reducing competition between boroughs.
 - **Implemented a single property standard for private landlords**, improving the consistency, quality and safety of the accommodation offered to homeless households to drive up quality in the private rented sector. We inspect all properties before they are let to ensure they meet this.
 - **Increased the number of homes available for low-income households**. We have made it easier for landlords through offering a route to all member boroughs with a consistent service, quick payments and specialist insurance to protect against rent arrears and property damage; encouraging more landlords to rent to families moving out of TA. This has added to the overall pool of properties available for low-income households.
 - **Wherever possible, supported families to stay in their home borough** close to work (52% of households in TA are in work), schools and support networks. Over the first four years of our operation, 61% of families placed through Capital Letters were housed in their home borough, compared with 41% across London as a whole. This has now become more challenging in light of the supply constraints.
 - **Recouped over £1m in benefits, grants and discretionary housing payments owed to tenants through our tenancy sustainment service, helping to avoid repeat homelessness and the associated costs**. The service is crucial in supporting the longevity of tenancies and has been taken up by 80% of renters. It gives landlords the confidence to rent to tenants on lower incomes as they are provided with support to ensure that rent is paid. It includes helping tenants to claim benefits and access other grants and funding, while supporting landlords to navigate the universal credit system.
 - **Commissioned research to provide insights** tailored to the needs of our members. Our research includes working with the Centre for Homelessness

Impact, London Councils and Trust for London, the LSE and Savills. DLUHC viewed the Savills research as so valuable that they are commissioning it for the whole country. We are working with the APPGs for Ending Homelessness and for Housing Market and Delivery on looking at alternative solutions to boost supply.

- **Added value** – we have additional expertise, skills, capacity and resources to add value to the work of our members, enabling them to do more with the same investment. We have established a Business Intelligence Team to analyse data, provide an evidence base for what works and share **best practice** amongst boroughs **based on our strategic oversight of the market**.
- **As a pan-London organisation, we are also attractive to potential large-scale partners** who have properties to lease but want the ease of engaging with a single partner rather than having to engage with multiple boroughs with different systems.

42. We have demonstrated that the collaborative model works – our strategic, partnership approach has enabled us to achieve more than boroughs can alone. However, our ability to find homes which are accessible for low-income households is being hampered by a lack of supply in the PRS. This is having a knock-on impact on affordability for low-income households (homeless or otherwise) which is contributing to the biggest housing crisis seen for generations.

Plans for the future

43. Capital Letters has a new five-year Corporate Strategy which sets out our plans to transition from grant funding to financial independence, finding alternative sources of properties to assist members to manage their responsibilities and contribute to finding solutions to homelessness.
44. Our membership has varied over the years; we deliberately contracted to ten borough members from April 2023 in recognition of the already challenging external environment and lack of supply. This has given us the opportunity to agree collectively shared priorities for action and to focus our resources on what our members want and need from us.
45. To achieve financial independence, in addition to our procurement service, which helps boroughs to move families out of TA, we have become a landlord in our own right taking leases of properties to manage and offer to members. This is a key element of our strategy in the light of contraction in TA supply and the need to find properties for our members to manage their responsibilities whilst generating independent income for Capital Letters.
46. This will also involve some boroughs transferring their private sector leased (PSL) properties to us to manage. PSL properties are used by LAs as part of their

temporary accommodation offer and by transferring them to us, they can save money. This is because when councils use them for TA they cannot claim back the full rental cost from government, meaning that they have to cover the shortfall in rent and other costs to landlords themselves.

47. We are consolidating our membership initially under the new model to ensure we get it right before expanding back up to 19 members by 2028.

Question 4: What more can the Mayor, central government, local authorities and other organisations do to increase provision of good quality and affordable TA in London and reduce the number of out of borough placements?

Central government

48. Without government intervention, all indicators suggest that the housing crisis will continue to worsen. Based on our understanding and knowledge of the private rented sector across London, there is an urgent need both to support low-income renters through increasing local housing allowance and applying a commensurate increase to the benefit cap, as well as to address the supply problem by supporting and encouraging landlords to remain in the market and to invest in improving their properties. We are calling on the Government to:
- Increase Local Housing Allowance rates to reflect market rents and track these into the future. Crisis' annual state of the nation research found that 82% of respondents said that the freezing of Local Housing Allowance was "very challenging" in the context of their attempts to prevent or alleviate homelessness in their area²². The latest government estimates suggested that the cost of increasing LHA rates to the 30th percentile would be £700m for the financial year 2023-24 across Great Britain²³. In 2021/22, local authorities in England alone spent more than double this figure, £1.6bn, on the provision of temporary accommodation for homeless households²⁴.
 - Apply a commensurate increase to the benefits cap to ensure that those in London with higher rents are not penalised.

²² Crisis, 2023, *Councils across England running out of options as demand from households facing homelessness soars*, available at: <https://www.crisis.org.uk/about-us/media-centre/councils-across-england-running-out-of-options-as-demand-fromhouseholds-facing-homelessness-soars/>

²³ Written parliamentary question, UIN 123926, available at: <https://questions-statements.parliament.uk/writtenquestions/detail/2023-01-16/123926>

²⁴ Inside Housing, 2022, *Temporary accommodation spend in England hits £1.6bn*, available at: <https://www.insidehousing.co.uk/news/news/temporary-accommodation-spend-in-england-hits-16bn-78635>

- Develop fiscal incentives for landlords to participate in the lower end of the market.
- Introduce incentives for landlords to increase the energy performance of their property through a tax restructuring to allow energy performance improvements to be deductible against rental income.
- In addition, low or no interest loans should be introduced to support landlords to undertake work to bring properties up to Decent Homes Standards Levels.
- Simplify licensing arrangements and costs to prevent duplication once the Property Portal is introduced under the Renters (Reform) Bill.
- Incentivise conversions of empty commercial property to residential units and bringing empty homes back into use through grants, match funding and a pilot scheme to demonstrate viability, as recommended by the joint inquiry from the APPGs for Housing Market and Delivery and for Ending Homelessness.
 - To tackle the root causes of the housing crisis a long-term strategy is required. Whilst most agree that the key to addressing the affordable housing crisis is building more homes for social rent, this takes time, and solutions are needed now to increase supply.
 - Government data²⁵ shows that there are 89,508 vacant properties in London. These should be bought back into use, however it is often time and resource intensive to do so. Government should provide funding for the property owners to enable this. In Wales, grants of up to £25,000 are available to renovate empty properties to make them safe to live in and improve their energy efficiency.
 - The joint APPG inquiry heard that from empty local authority buildings alone there is the opportunity to create 20,000 more homes in England²⁶. It found that there is significant potential for housing supply to be increased through conversions, providing there are safeguards in place to ensure that the homes delivered are of high quality, contribute to affordable housing provision locally, and that local authorities have greater input to where they are developed.
 - The inquiry outlined key recommendations that must be implemented to ensure conversions are fit for purpose and to

²⁵ DLUHC, *Live tables on dwelling stock, table 615: vacant dwellings by local authority district: England, from 2004*, available at:

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

²⁶ APPG for Ending Homelessness and APPG For Housing Market and Delivery, 2023, *Joint inquiry into rethinking commercial to residential conversions*, available at:

<https://www.crisis.org.uk/media/xa1h4xan/rethinking-commercial-to-residentialconversions-joint-appg-final-report.pdf>

prevent a repeat of poor-quality development that has been seen in the past. This included strengthening standards through the adoption of the 'Healthy Homes Principles' (currently introduced through House of Lords amendments to the Levelling Up Bill), which would include ensuring all homes have access to amenities such as shops, schools, GPs, green spaces and transport, ensuring fire safety, access to natural light, and that homes are warm and well-ventilated to avoid damp and mould issues.

- The inquiry also called for all conversions to be required to make contributions towards genuinely affordable housing to help meet local need and tackle homelessness.
- It also called for clearer guidance on ways in which local authorities can have greater influence over the types and location of conversions that take place in their area, to ensure that they align with local housing and economic development plans. This includes through a greater use of Local Development Orders and proposing an extension of 'Article 4' directions to preclude developments in unsuitable out of town locations such as business parks.
- A key finding of the inquiry was that conversions of empty buildings work best when done in conjunction with local authorities. Giving evidence to the inquiry, Habitat for Humanity highlighted its work with LB of Barking and Dagenham to convert empty spaces into affordable homes. This included turning vacant space above shops into high quality flats for young people leaving the care system. The properties are all owned by the Borough. Such collaborations should be highlighted as best practice and piloted more widely across the Capital as one route to increasing supply.
- To explore the viability of conversions, it recommended that Homes England/the Greater London Authority should pilot a small affordable-led development of commercial to residential conversions in partnership with local councils and housing associations. As a mixed tenure development, this would include provision for a proportion of people experiencing homelessness and living in temporary accommodation to move into settled housing. This could include working with DLUHC to examine the potential for using Single Homelessness Accommodation Programme funding to create such a development for people who have experienced homelessness.

49. As a body owned by our London borough members, we support London Councils' calls for measures to increase supply and ease cost pressures, such as supporting councils to buy accommodation sold by private landlords, boosting homelessness prevention grant funding, and increasing discretionary housing payments. In particular, we support and echo their call to bring forward a cross-departmental strategy to reduce homelessness, with this made a major national priority.

Mayor

50. As outlined above, we support the joint APPG inquiry's recommendation for the GLA to pilot a conversion scheme in conjunction with boroughs and housing associations to turn empty buildings into high-quality, affordable homes. Repurposing empty properties is an approach that is also being called for by Crisis²⁷ and there is an opportunity to bring together a coalition of socially motivated organisations to realise this ambition in conjunction with the GLA.

51. Capital Letters is seeking to enter into long-term leases to access supply for our member boroughs however we require guarantees for investors given that we don't currently own any assets. If the GLA were to act as a guarantee for organisations like us this would enable us to access new supply.

- We are routinely approached by developers and investors who see the opportunity that the provision of homes for low income and homeless families provides for their ESG investors. They want the simplicity and efficiency of working with Capital Letters as one organisation rather than a range of boroughs.
- They believe that working with boroughs provides a security for their investors and this allows them to access lower cost borrowing. It is our ownership by the public sector that is appealing. A guarantee from the Mayor would be a particularly effective way of getting properties for homeless families and delivering change for good in the short and longer term.

52. We note the Mayor's calls for rent controls however we are concerned that this would risk further exacerbating the supply crisis with unintended negative consequences. The key to reducing rents is increasing supply. Zoopla's September

²⁷ Crisis, 2023, *Nearly a quarter of a million properties sitting empty as charity warns Government is wasting opportunities to tackle homelessness*, available at: <https://www.crisis.org.uk/about-us/media-centre/nearly-a-quarter-of-a-million-properties-sittingempty-as-charity-warns-government-is-wasting-opportunities-to-tackle-homelessness/>

2023²⁸ rental market report found that annual rent growth in Scotland exceeded that in London, despite the imposition of a rent cap. It noted:

“The introduction of rent controls in September 2022 is a key factor here. These have capped increases in rents for existing tenancies at 3% a year. As properties become vacant, landlords can reset the rent to the full market rate.

“This means landlords are seeking to maximise the rent for new tenancies to cover increased costs and allow for the fact that future rent increases will be capped over the life of the tenancy.

“This has added extra impetus for rental growth in Scotland versus other parts of the UK.”

²⁸ Zoopla, Rental Market Report: September 2023, available at:
<https://www.zoopla.co.uk/discover/property-news/rentalmarket-report/>

Morris & Company

Refer to [Family Emergency Accommodation: Guidance](#), November 2023

Letters from Capital Letters (dated 24 November and 18 December 2023)

24 November 2023

Lord Bailey
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Sent by email

Dear Lord Bailey,

Capital Letters Follow Up to London Assembly Housing Committee Session on Temporary Accommodation

Thank you for the opportunity to give evidence to the Housing Committee on Temporary Accommodation last week. I wanted to follow up on a few points raised in the session.

Accessing new supply

Across the whole of London, when we looked across our system last week there were only 17 properties available that were affordable at the LHA rate. This is the stark reality of the supply crisis.

We were pleased that the Chancellor raised Local Housing Allowance (LHA) to 30th percentile of local market rents in this week's Autumn Statement and join all panel members in agreeing that this will make a significant difference to the challenges we face. However, this was tempered by the qualification that LHA rates would be frozen again in 2025/26 – so it is only a temporary relief. We have also been warning that without a commensurate increase in the benefit cap, there may be families who are not able to afford these higher rents.

Therefore, whilst this is hugely welcome and a long overdue move, we must still look at all possibilities for how supply – and particularly affordable homes - can be increased within the Capital.

To this end, we are seeking to enter into long-term leases to access supply for our member boroughs.

We are routinely approached by developers and investors who see the opportunity that the provision of homes for low income and homeless families provides for their Environmental, Social and Governance (ESG) investors in terms of a long-term, predictable investment that delivers change for good. They want the simplicity and efficiency of working with Capital Letters as one organisation who will manage and let the properties rather than a range of boroughs each with different processes.

However, given that we don't currently own any assets ourselves, we require guarantees for investors before we can enter into long-term leases. As I mentioned during the session, we are currently in discussions with one investor about entering into a long term (40 year) agreement which would provide 5,000 affordable, decent homes for Londoners over the next five years. If the GLA were to act as a guarantor, this would enable us to secure new supply for boroughs to house homeless families for the long-term.

GLA Pilot Fund for Affordable Conversions

Linked to the need to consider all options for increasing supply, we should be looking at how better use could be made of buildings that already exist to provide new, high-quality housing.

We were pleased that all panelists supported the idea in principle of a pilot GLA conversion scheme for affordable homes from empty local authority buildings. Such a pilot would be in partnership with boroughs to explore the viability of delivering high-quality housing through this route.

The report from the joint inquiry by the APPG for Ending Homelessness and the APPG for Housing Market and Housing Delivery that I referenced is available [here](#). It found that from empty local authority buildings alone, there is the potential to create 20,000 affordable homes across England. A key finding from the inquiry was that conversions work best when done through a consortia approach i.e. with local authority, housing association, not-for-profit and community led involvement. The partnership between the London Borough of Barking and Dagenham and the Habitat for Humanity charity is highlighted as a case study on page 15. They repurposed empty spaces into high quality flats for young people leaving the care system, and the properties are all owned by the Borough. The starting point for any such pilot would be the need to identify what buildings local authorities own that are vacant, as witnesses to the inquiry highlighted that this is often a barrier.

Right to Buy Back

We are taking away the point made by Assembly Member Berry about how best we can promote the Right to Buy Back scheme, and the newly announced Council Homes Acquisition Programme, to the landlords that we work with so that they are aware of their options if they are planning to leave the market.

Supporting Homeless Individuals

In response to the question about whether there should be another initiative like Capital Letters but for individuals rather than families, we echo the point made by Kate and others about this being a very challenging time in the market to try and establish a new pan-London vehicle. We would be pleased to have further discussions with boroughs, the GLA and DLUHC about expanding our remit to also cover individuals rather than families if there is an appetite for this. The original rationale for Capital Letters being focused on families was that there were a number of initiatives that were targeted at homeless individuals, and this was seen to be a gap, however, clearly, the need for affordable housing is deep and widespread and has changed since Capital Letters' inception.

Wider Rollout of Our Inspection Service

As mentioned, with our member boroughs we have agreed a single standard that all properties must meet before they can be let. This has successfully improved the consistency, quality and safety of the accommodation offered to homeless households as part of our remit to drive up quality in the private rented sector. We inspect all properties before they are let to ensure they meet these standards. Again, we would be pleased to have discussions about rolling out this service to inspect other temporary accommodation across London, not just homes procured by Capital Letters.

I would be happy to discuss any of these issues further or provide any additional information required if that would be useful.

Kind regards,

Sue

Sue Edmonds
CEO



Follow up note for GLA housing committee on empty homes and conversions as part of inquiry into Temporary Accommodation

18.12.23

Summary

- Following on from points raised with the Committee by Sue Edmonds, Chief Executive of Capital Letters, during oral evidence, this note outlines some further research and recommendations on the potential to make better use of existing buildings to alleviate the housing supply pressures in London in the immediate term.

Empty Homes

- There are [88,000 vacant homes](#) in London, of which over 36,000 have been empty for over 6 months. Some boroughs have over 2,000 long-term empty homes.
- Meanwhile, there are [60,580 households in TA](#) in London and over 300,000 households on the council house waiting list– **long-term empty homes could house over half of those in TA if brought back into use.**
- Having discussed the main barriers and solutions with [The Empty Homes Network!](#) (EHN), **we believe that the GLA could play a key role in driving forward a London-wide strategy on empty homes. Areas with the best success on bringing empty homes back into use are those where there is clear top level will and leadership on the issue to make it a strategic priority, backed up by resources. Having central direction from the GLA would make a significant difference in encouraging boroughs to be proactive in bringing empty homes back into use.**
- The EHN has shared that in its experience, empty homes work can be carried out successfully with just one empty homes officer per local authority, and that the revenue gained from empty homes work more than covers their salary. In Scotland and Wales where they have proactive empty homes strategies, a much higher proportion of councils have an empty homes officer in post.
- The EHN estimates that approximately 75% of empty homes are 'ready to go' and could be brought back into use relatively quickly and easily at a low cost.
- The Scottish Empty Homes Partnership has previously [estimated](#) that it costs between £6,000 - £25,000 to renovate an empty property compared to an estimated cost of £120,000 to build a new home.

Recommendations:

- The GLA should fund a new, central empty homes adviser who is available for all boroughs to consult as required on empty homes. This is a model that works well in Wales where all councils can tap into the knowledge and expertise of a central consultant.
- Boroughs should also be able to access toolkits and resources to support their empty homes work via the GLA. These already exist through the Empty Homes Network, so it would just be a case of making them available centrally.
- Currently, 14 boroughs are full 'corporate' members of the network, meaning they can access all resources and toolkits, 5 are 'subscriber' members, meaning they only receive news updates, and 14 are not involved at all.



- The Empty Homes Network has suggested that the GLA may want to consider collective membership for all boroughs, which would enable all councils to have access to the resources on the site to support their empty homes work, which it would offer at a rate of £75 per authority annually, rather than the £95 if paid individually by them. This covers as many staff as the authority would like to have access to the resources. This would be a small cost of only **£2,475.00 annually for the GLA** but could be part of the overall strategy in terms of providing central leadership and support on empty homes.
- A common feature of successful strategies to bring empty homes back into use is where there is also a specific funding pot to support this. The GLA should consider ringfencing some of its Affordable Homes Programme funding to support bringing empty homes back into use. This has been done before under previous iterations of the funding.
 - DLUHC's [guidance](#) on the AHP suggests that this would be a permissible use of funding: *"Empty homes - affordable homes can also be created by bringing existing empty homes back into use. Please see detailed [guidance on purchase and repair](#) (our preferred model) and [lease and repair options](#)."*
 - The purchase and repair guidance states: *"The provider acquires a second hand dwelling on the open market, which requires some repair to bring it to a standard and a condition suitable for affordable housing letting. The estimated cost of the grant-eligible works should be between £1,500 and £10,000 per dwelling, exclusive of VAT."*
 - There is also an option for properties requiring more substantial works: *"Acquisition and works - The provider acquires a property, or properties, on the open market for refurbishment or conversion. The cost of the grant eligible repair and improvement work per dwelling must exceed £10,000 exclusive of VAT. A building contract will normally be entered in to, but sometimes work can be carried out under a building licence agreement. If the works cost less than £10,000 per dwelling, the property is classified as an Existing Satisfactory or Purchase and Repair scheme."*

Commercial to Residential Conversions

- Given the severity of the housing crisis we are facing, there is a need to look at all options for increasing supply; no one thing will provide the silver bullet. Whilst there is clearly a need for long-term investment in delivering more homes for social and affordable rent, this will take time to deliver.
- In the immediate term, as with empty homes, there are a number of existing buildings sitting empty.
- A joint [inquiry](#) by the APPG for Ending Homelessness and the APPG for Housing Market and Delivery, which Capital Letters supported, found that from empty local authority owned buildings alone, there is the potential to create 20,000 affordable homes across England.
- Another key finding was that conversions work best when done through a consortia approach of socially driven organisations such as councils, housing associations and community organisations.
- When asked during the Committee's oral evidence session whether they supported the idea of a pilot conversion fund, panellists agreed with the idea in principle, stating



that all options should be explored given the desperate need for accommodation across London.

- Ensuring that such conversions are high-quality, in terms of both the buildings themselves and surrounding amenities, would be paramount.
- From our own work, we are aware of a number of boroughs that are already looking into the feasibility of conversions. They may be interested in progressing with a pilot scheme with the support of the GLA to create a 'proof of concept' approach and build confidence that such conversions have the potential to contribute to alleviating the current housing and homelessness crisis.

Recommendation

- The GLA should establish a pilot fund in partnership with boroughs to explore the viability of delivering high-quality housing through conversions. Some grant funding would be required for the conversions to be viable at an affordable level. Respondents to the inquiry suggested looking to previous examples of successful schemes that required match funding. The inquiry noted:

"Daniel Brewer from specialist impact property fund manager, Resonance, highlighted another funding pot which had been effective – the Rough Sleepers Accommodation Programme. This was central government grant funding to local authorities, however councils had to apply with a partner, this could be a housing association or a private investor, to bring at least 50% match funding."

ⁱ Established in 2001, the Empty Homes Network is the prominent voice, support and resource community for empty homes officers and practitioners across the country. With over 700 members and subscribers, the Network's aim is to support councils and their employees in bringing empty homes back into use, through the sharing of best practice methods, hands-on experiences and tools to develop effectiveness and efficiency.

Formed as a non-profit organisation, the Empty Homes Network lobby and campaign for service improvement, and assist those with the least capacity and experience to gain confidence whilst at the same time ensuring that those who are more experienced have a platform to share, develop and innovate. The Network supports policymakers in developing approaches and frameworks by offering practical and knowledgeable insight at an operational level, all with the aim of adequately equipping councils with the tools required to negotiate, support and enforce where needed.

Letter from Greater London Authority (GLA)

GREATERLONDONAUTHORITY

The Lord Bailey of Paddington AM
Chairman of the Housing Committee
London Assembly

Department: Housing and Land

Date: 15 December 2023

Dear Lord Bailey,

Thank you for your letter dated 28 November 2023.

PLACE Ltd was set up as a non-profit housing company that aimed to develop modular housing units for temporary accommodation. The ambition was for the company to borrow capital from local authorities to develop sites, with the income generated from rent used to fund loan repayments and operational aspects.

The GLA entered into a Grant Agreement with LB Tower Hamlets on 07 May 2019 for an investment of £11m Grant to deliver 200 modular homes (£55,000/home) through the Mayor's Innovation programme (which was a subset of AHP 16-21). No homes were delivered through the GLA Grant Agreement.

The company faced financial and development risks, incurring debt through local authorities and reliant on working capital from Tower Hamlets. The model required at least ten sites to be developed before enough income was generated to cover operating costs and repay the working capital.

PLACE Ltd was wound up in summer 2022, and the original structures and policy aims around a pan-London TA modular programme are not now active. Our understanding was that LBTH perceived that the scheme did not work for them financially nor did they have the appetite to pursue a Pan-London model. LBTH explored different options including owning the modular homes themselves, but after almost 18 months of trying to find a solution, a suitable arrangement could not be found.

The GLA remains open to innovative approaches to provide good quality temporary accommodation, including through the use of modular housing where this is appropriate.

This is one route being explored between London Councils and the G15 under Project 123. This initiative seeks to leverage Housing Association stock and sites to provide TA and officers remain in close contact with London Councils and the G15 as plans develop.

Your sincerely

Kate Webb
Head of Housing Strategy
Housing and Land