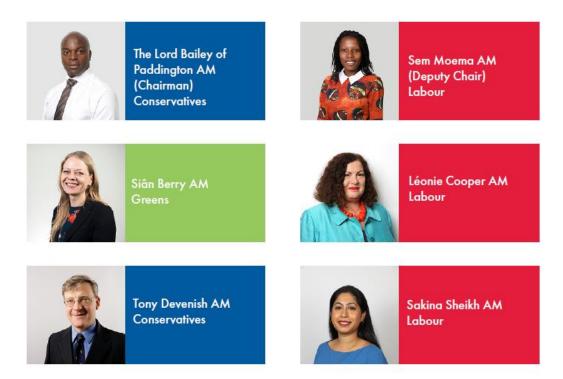


Housing Committee



The London Assembly Housing Committee examines matters relating to housing in London and leads on the scrutiny of the Mayor's housing responsibilities.

To read more about our work, please visit our website.

Contact us

Ashleigh TilleySenior Policy Adviser Ashleigh.Tilley@london.gov.uk

Anthony SmythExternal Communications Officer Anthony.Smyth@london.gov.uk

Diane RichardsCommittee Services Officer Diane.Richards@london.gov.uk

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Foreword



The Lord Bailey of Paddington AM Chairman of the Housing Committee

The Housing Committee has conducted in-depth reviews of elements of London's severe housing problems this year. Our focus has been on several key areas, including the factors hindering the supply of new homes in the city and an examination of the Mayor's efforts in delivering affordable housing, utilising the £8.82 billion received from the Government since 2016.

Through our investigations, we have uncovered the wide-ranging impacts of the housing shortage and affordability crisis in London. Particularly concerning was our scrutiny of Temporary Accommodation, where we uncovered the harsh realities faced by many Londoners due to the lack of stable and affordable housing.

Although there are some good Temporary Accommodation providers, accounts we heard painted a grim picture of insanitary, overcrowded, and hazardous living conditions for many. Shockingly, we learned that thousands of children from London are residing in "bed-and-breakfast" properties, some lacking even basic amenities like kitchens for home-cooked meals.

Most Temporary Accommodation is wholly inadequate for families, yet over half of London households housed in Temporary Accommodation are living there with children. Alarmingly, this equates to 85,000 children from London currently living in Temporary Accommodation – essentially one child in every classroom.

The surge in homelessness and the increased reliance on B&B properties have led to soaring costs for London's councils, now collectively reaching a staggering £90 million per month for Temporary Accommodation.

However, the costs borne by Londoners forced into this accommodation are even more profound. Since our investigation, we were deeply saddened by the news that Temporary Accommodation was a contributing factor in the deaths of 12 children in London from 2019 to 2023.¹

Urgent action is needed to improve the conditions of Temporary Accommodation, ensuring Londoners are not subjected to health hazards. We are calling on the Mayor to leverage his

¹ Evening Standard, <u>'Twelve children dead in London with temporary accommodation as a 'contributing factor'</u>, 5 March 2024.

convening powers to expand inspections of Temporary Accommodation and establish a landlord's charter for housing providers. It is crucial to hold these providers accountable for maintaining standards and promptly carrying out repairs.

Furthermore, we must prevent Londoners, who cannot afford private rents, from slipping into homelessness. The Government's decision to uprate the Local Housing Allowance starting April 2024 is a crucial step in preventing further homelessness. Additionally, the Committee urges the Government to commit to a clear timetable to end Section 21 "no fault" evictions, which directly threatened over 1,200 London households with homelessness between July and September 2023.

Addressing overcrowding and the affordability crisis requires substantial investment in housing supply. Landlords should also be supported and incentivised to offer well-maintained properties at affordable rents, particularly in areas of high demand.

The Mayor must take decisive action to address this emergency by ramping up the delivery of affordable housing and encouraging private investment in housing supply. Additionally, tackling the rising number of empty homes, which have increased by 51 per cent since 2016, should be a priority with plans to bring these properties back into use.

It is my sincere hope that addressing the Temporary Accommodation emergency becomes a top priority at both the local and national levels.

Executive summary

In 2023, it was estimated that one in 50 Londoners are now homeless and living in Temporary Accommodation (TA), including one in 23 children.² The Housing Committee set out to investigate how the TA situation is affecting Londoners, what needs to be done to prevent more Londoners from needing to rely on TA, and how the capital's stock of TA can be improved.

The Committee visited a TA hostel in Tower Hamlets in September 2023, joining the Setting the Standard team, which is a pan-London, inspection service for TA. Setting the Standard inspects and grades privately-provided, nightly-let TA, which it describes as the "highest risk section of the private rented sector", to ensure that it meets minimum property standards.³ The grading system ranges from Grade A to E, where Grades A-C are a pass and grades D and E are fails.⁴ Nightly-let TA currently covers over 40 per cent of all TA in London,⁵ and Setting the Standard operates in 30 out of 33 London local authorities.⁶ While the hostel that the Committee visited in September received a grade A, it is clear that most nightly-let TA does not fall even close to this standard, as Setting the Standard told us that over half of the buildings they inspect are rated as Grade D.⁷

The Committee then held a meeting in November 2023 with a range of guests including a prominent housing campaigner, grassroots organisations, local authorities and public sector organisations, and non-profit housing organisations. We also ran a public call for evidence in September and October, to inform our investigation. (See details of this Committee activity in the Annex of this report).

The Committee was pleased to hear about the range of work being carried out by groups we spoke to, and it was very clear that voluntary and community sector (VCS) organisations have a huge impact and critical role in this area. This was emphasised by Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield and Co-Chair of the London Housing Directors' Group):

"While we battle to deliver on our statutory responsibilities at this challenging time, we have never needed the support and the input of the community and voluntary sector

² London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

³ Setting the Standard, <u>Information Pack for local authorities</u>, 2022.

⁴ Setting the Standard, <u>Grading Matrix</u> and <u>Standards and Guidance Note for StS Inspection Officers and Local Authorities</u>, September 2022.

⁵ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

⁶ Commissioning Alliance, <u>Setting the Standard</u>.

⁷ Information shared with the Committee by Setting the Standard, September 2023.

⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u> and <u>Panel 2 Transcript</u>.

⁹ London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

more, because they can reach out into communities and support people in ways that perhaps institutions like local authorities cannot." 10

We are grateful for all the responses and involvement from VCS organisations, London boroughs, non-profits and others who contributed to our investigation. In particular, Trust for London, the London Housing Panel, and Setting the Standard, who were instrumental in delivering parts of the investigation.

The Committee reached several key findings, which are summarised below:

- Many Londoners living in TA encounter extremely poor or unsafe conditions, and a lack of safety, privacy and amenities. Many disabled Londoners experience unsuitable accommodation where the necessary adaptations have not been made. Services such as Setting the Standard are an important way for local authorities to have oversight of TA; however, these services only cover nightly-let private TA, which represents about two-fifths of the TA in London.¹¹ There is an urgent need to improve national standards and regulation around the quality of TA. The Mayor should also explore how existing inspection services could be rolled out more widely and how to ensure landlords are supported and held to account for standards and repairs. (Recommendations 9, 10)
- Living in TA can be harmful because of disruption to work, family life, and schooling. This disruption is exacerbated when households are placed outside of their area, or outside of London, away from their support networks. The latest Government data shows that two-fifths of London households in TA are placed out-of-borough.¹² The Committee would like to see much more emphasis on addressing the factors that lead to Londoners having to rely on TA. Central to these is the supply of affordable housing, and poor affordability and lack of security of tenancy in the private rented sector. The Committee has made several recommendations relating to the Mayor and the Government's responsibilities in these areas. For instance, the Mayor met his target for affordable homes starts for the Affordable Homes Programme (AHP) 2016-23.¹³ However, the new AHP for 2021-26 was reprofiled and renegotiated with the Government in 2023.¹⁴ At the time of this investigation in November 2023, no housing starts had yet been made under the AHP 2021-26.¹⁵ (Recommendations 1, 2, 4, 6)
- The undersupply of private rented accommodation, especially at lower rents, is an increasing problem. The period January to March 2023 saw a reduction of over 35 per

¹⁰ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript.

¹¹ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

¹² DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

¹³ London Assembly Housing Committee, <u>Affordable Housing Monitor 2023</u>, October 2023.

¹⁴ London Assembly Housing Committee, Affordable Homes Programme 2021-26, 19 October 2023, <u>Transcript</u>, p.2

¹⁵ London Assembly Housing Committee, Affordable Housing Monitor 2023, October 2023.

cent in the availability of homes to rent in London, compared to the same months in 2017-19. Many private landlords at the lower end of the market are leaving the market or ceasing to let to tenants with low incomes, as it no longer makes financial sense for them. In July 2023, a survey by the London School of Economics found that "40 per cent of landlords who had let to tenants with low incomes have reduced their exposure in the last two years". Private landlords are also ceasing to operate as TA providers. In the ten months from September 2022 to June 2023, London boroughs received 6,317 "notices to quit" from TA providers (a legal notice requesting the return of a property), which London Councils reported was equivalent to 12 per cent of London's total TA stock. These market conditions have a dual effect in terms of preventing Londoners from being able to find places to live, and preventing councils from being able to find TA to place homeless residents. Landlords need to be supported and incentivised to stay in the lower end of the market, and to let their properties to councils as TA. (Recommendation 11)

- One in seven private renters in London rely on Housing Benefit or Universal Credit (UC) to pay for housing costs²⁰. More than 38 per cent of UC claimants in London are in work.²¹ Local Housing Allowance (LHA) is the maximum amount that UC and Housing Benefit claimants can receive to pay their private rents. During the COVID-19 pandemic, LHA was raised by 13 per cent in April 2020 to cover the 30th percentile of local market rents, and was frozen thereafter until 2024. Since our investigation, the Government has announced that LHA will be increased by 16 percentage points from April 2024, in order to keep pace with the 30th percentile of local market rents. Although the Committee welcomes the Government's uprating of LHA from April 2024, the Committee recommends that the Government maintains the link between LHA levels and local rent levels beyond April 2024, to ensure that the LHA continues to cover the 30th percentile of local market rents in the future. The Committee also recommends that the Government reviews the relationship between LHA and the benefits cap. (Recommendation 5)
- TA is extremely costly for London's local authorities, who are being forced to spend more than they receive from the Government on TA. In 2022-23, London boroughs were spending almost £90 million a month on TA.²² The Government must set out how it will ensure that local authorities will be adequately resourced to provide safe, secure and affordable TA to Londoners in need. (Recommendation 7) The Mayor should also explore all possible levers to ramp

¹⁶ Savills and LSE Consulting, <u>Supply of Private Rented Sector Accommodation in London</u>, July 2023, p.8.

¹⁷ Savills and LSE Consulting, Supply of Private Rented Sector Accommodation in London, July 2023, p.22.

¹⁸ Savills and LSE Consulting, Supply of Private Rented Sector Accommodation in London, July 2023, p.22.

¹⁹ London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²⁰ London Councils, <u>'Raise housing support to prevent 60,000 London renters becoming homeless, say boroughs'</u>, November 2023.

²¹ Department for Work and Pensions via LG Inform, <u>'Proportion of Universal Credit claimants in employment in England'</u>, December 2023.

²² DLUHC, <u>Local authority revenue expenditure and financing England: 2022 to 2023 individual local authority data – outturn</u>, Revenue outturn housing services (RO4). Total expenditure for 2022/23 was £1,063,678,000.

up the supply of decent quality TA in London. The Committee has set out several recommendations for the Mayor in this regard. **(Recommendations 12-15)**

 Londoners living in TA are experts by experience. Commissioning and procuring TA, and health services, needs to be done alongside vital VCS organisations and needs to sensitively and appropriately integrate the voices of Londoners living in TA.
 (Recommendation 16)

Chapter one sets out the current situation relating to TA in London – what kind of TA people are placed in and where, who is living in TA, and how long people tend to stay. It also includes what the Committee heard about Londoners' experiences of TA, in terms of difficulty in accessing TA; poor conditions; and disruption to jobs and lives.

Chapter two sets out how the lack of social housing, and affordable and stable private rented accommodation, are leading to more homelessness, and more Londoners needing to rely on TA. It also describes the importance of the uprating of Local Housing Allowance rates for preventing homelessness.

Chapter three sets out potential solutions for improving London's stock of TA and for supporting people living in TA.

Recommendations

Recommendation 1

Now that the Affordable Homes Programme (AHP) 2021-26 has been reprofiled and renegotiated with the Government (in 2023), the Mayor must begin delivering affordable homes "starts" under the AHP 2021-26 in 2024-25. The Mayor must also work with the Government to ensure that London has the resources it needs to deliver sufficient new supply to meet housing demand. He must also ensure that the homes from the previous AHP 2016-23 programme are completed as soon as possible.

Recommendation 2

The Mayor should continue to invest in the building and acquisition of new social homes, making use of government funding where available, to ensure that those unable to access secure housing in the private rented sector have a safe and sustainable route out of Temporary Accommodation.

Recommendation 3

The Committee recognises that local authorities set their own housing allocation policies according to local need. However, we encourage the Mayor and his advisers to engage further with local authorities to ensure that across all London boroughs, Londoners living in Temporary Accommodation, especially for long periods, are a higher priority in the allocations process.

Recommendation 4

The Government should urgently set out a clear timeline for how and when it will deliver its commitment to end Section 21 "no fault" evictions.

Recommendation 5

The Committee supports the Government's decision to lift the freeze on Local Housing Allowance and increase rates by 16 per cent from April 2024. The Government should ensure that Local Housing Allowance rates are reviewed on a regular basis, so that they continue to cover the lower 30 per cent of local market rents in future years. It should also review the relationship between the Local Housing Allowance and the overall benefit cap.

Recommendation 6

The Mayor should incentivise private investment in the supply of private rented accommodation (at the lower end of market rents) and in affordable housing by institutional investors. For example, promoting partnerships between affordable housing providers and institutional investors, and promoting affordable Build to Rent developments.

Recommendation 7

The Government must ensure local authorities are adequately resourced to deal with the crisis in Temporary Accommodation. The Government should clarify how it will ensure that the subsidy and grant provided to local authorities reflects the amount that local authorities are required to spend on Temporary Accommodation.

Recommendation 8

The Mayor should use his convening role to bring together the Home Office (which procures accommodation in London for people seeking asylum) and London boroughs to collaborate on the procurement of properties, and use consistent standards and pricing.

Recommendation 9

The Mayor should discuss opportunities to expand the Setting the Standard inspection service to cover a wider range of Temporary Accommodation, with Setting the Standard and London Councils. The Mayor should contribute funding to any expansion of this service, seeking external funding where necessary. As part of this expansion, Setting the Standard should gather information on accommodation created using Permitted Development Rights.

Recommendation 10

The Mayor should work with London local authorities, Temporary Accommodation providers, voluntary and community sector organisations and Londoners with lived experience of Temporary Accommodation, to produce a Temporary Accommodation landlord's charter. This would ensure landlords are supported and held to account for standards and repairs.

Recommendation 11

The Mayor should work with London boroughs and landlords to identify opportunities for incentivising private landlords to provide leases to councils, who can use the properties as Temporary Accommodation for homeless households. This is important to reduce the reliance on nightly-let Temporary Accommodation.

Recommendation 12

The Mayor should explore ways to increase funding for acquiring and refurbishing existing homes for use as Temporary Accommodation. This should include funding a pilot conversion scheme to deliver affordable homes for Temporary Accommodation using empty local authority buildings (including homes and offices), collaborating with partners including Capital Letters and Local Space. Any conversion of offices should be high quality and learn from the lessons of poor conditions in homes created using Permitted Development Rights.

Recommendation 13

The Mayor should ensure that the Greater London Authority's quarterly reporting on Affordable Homes Programme funding includes Temporary Accommodation as a separate category for both new-build and acquisitions, so that the supply of Temporary Accommodation can be monitored. This reporting model should begin with the next publication of the quarterly reporting in May 2024.

Recommendation 14

In his response to this report, the Mayor should set out his reply to the request from Capital Letters to act as a guarantor for a long-term agreement between Capital Letters and an investor, in order to provide 5,000 homes for homeless Londoners.

Recommendation 15

The Mayor should set out a London-wide plan to take action specifically on empty homes. This could involve providing advice, support and funding to boroughs on how to bring empty homes back into use, including by appointing an officer within the Greater London Authority to lead on empty homes. The Mayor should also consider making use of the Affordable Homes Programme to help bring empty homes back into use, working with London boroughs and other partners.

Recommendation 16

The Mayor should use his convening powers and responsibilities on health inequalities to ensure that people living in Temporary Accommodation are included in inclusion health plans, which are produced by health authorities to reduce healthcare inequalities and improve healthcare for inclusion health groups (a term used by the NHS to describe people who are socially excluded, including people who experience homelessness). People with lived experience of living in Temporary Accommodation should be involved in the creation of these plans.

Chapter one: The current situation

Key findings

At the end of September 2023,

61,810 households were living in TA arranged by London boroughs. This included **83,410 children**.

The number of households living in TA had risen by 6 per cent compared to the previous year, and 73 per cent since September 2011.²³

- The number of homeless Londoners living in TA has risen every year since 2011, and is forecast to keep rising.²⁴
- Families with children make up 60 per cent of London households living in TA,²⁵ but they often do not have access to the amenities they need like cooking facilities and play space for children. A Shelter report stated that two in three London families they spoke to living in TA said that they did not have enough space to live in; and that four in ten children in London living in TA did not have their own bed.²⁶
- The number of families living in "bed-and-breakfast" (B&B) properties in London has fluctuated significantly over the last decade, but has seen a sharp rise since 2021.²⁷ B&B properties are nightly-let private-sector accommodation, with shared facilities.²⁸ These properties are a problem because they can have extremely limited amenities, space, privacy and security for residents. The Government recognises that B&B accommodation is "unsuitable for families" and "detrimental to ... children", and therefore sets a sixweek time limit that families can be placed in B&B TA.²⁹ However, at the end of September 2023, 1,860 London families were living in B&Bs, three times the number in the same month the year before. Nearly 75 per cent of these families had been living in B&Bs longer than six weeks, breaching the legal limit.³⁰
- Many Londoners living in TA encounter extremely poor or unsafe conditions. The pan-London inspection service Setting the Standard, which inspects around 40 per cent of

²³ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

²⁴ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

²⁵ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1

⁻ Type of temporary accommodation provided'.

²⁶ Shelter, <u>Still Living in Limbo</u>, 2023.

²⁷ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

²⁸ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October 2023.

²⁹ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October 2023

³⁰ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

TA in London,³¹ told us that over half of the TA buildings they inspect have failed inspection and have been given a 'D' grade.³² A Shelter report stated that of the London households they had spoken to who were living in TA, two in five had experienced

problems with infestations.³³ Shelter also stated that one in four London households in TA had experienced problems with access to running water and safety hazards.³⁴

Inclusion London told us that disabled Londoners are overrepresented among TA residents, that they experience unsuitable accommodation where the necessary adaptations have not been made, and that they tend to have longer stays in TA.³⁵ The latest Government data shows that among those London households owed a "main duty" for homelessness (under which the council must provide TA to the household), over 10 per cent of these households had a member with a physical disability or ill health.³⁶

- There is not a clear picture of TA properties in London, as they vary so widely. The
 Committee was concerned to hear many TA properties have been converted from
 commercial to residential properties through "Permitted Development Rights" (PDR).
 This is a form of conversion that does not require planning permission, and often results
 in poor quality homes.³⁷
- Living in TA can cause harm not only because of the common occurrence of poor conditions and amenities, but because of disruption to work, family life, support networks, healthcare, and schooling. This disruption is exacerbated when households are placed outside of their home area, or outside of London. At the end of September 2023, 40 per cent of London households living in TA had been placed out-of-borough (either within or outside of London). The number of out-of-borough placements in London has now reached the highest figure recorded so far. Out-of-borough placements are much more common in the capital than elsewhere. At the end of September 2023, London had 1.3 times the number of households living in TA than the rest of England, but 3.6 times the number of households placed out-of-borough.
- TA is often not temporary. Shelter research shows that 79 per cent of households in TA in London stay for over a year,⁴¹ and we heard that Londoners can be in TA for several years. People live in TA in London for longer than in other areas in the country because

March 2024

³¹ Setting the Standard inspects and grades privately-provided, nightly-let TA which currently represents about 40 per cent of TA in London. Setting the Standard currently work in 30 out of 33 London local authorities. DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

³² Information shared with the Committee by Setting the Standard, September 2023.

³³ Shelter, Still Living in Limbo, 2023.

³⁴ Shelter, <u>Still Living in Limbo</u>, 2023.

³⁵ Inclusion London and London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

³⁶ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'MD3 – Number of households owed a main duty by priority need'.

³⁷ UCL, 'An exploratory study investigating the health and wellbeing impacts of housing created through permitted development in London', 2023.

³⁸ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

³⁹ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

⁴⁰ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1

Type of temporary accommodation provided'.

⁴¹ Shelter, Still Living in Limbo, 2023.

of the lack of affordable accommodation for them to move on to. London Councils states that homeless households in London have an average stay in TA five times longer than elsewhere in England.⁴²

 People living in TA represent some of the capital's most vulnerable populations. We heard that people living in TA commonly have complex health needs, but frequently do not have tailored health support, and struggle to access primary and secondary healthcare because of the instability of TA.⁴³

What is TA?

TA is housing provided by local authorities for people who approach the council for help with homelessness. Most TA in London is currently represented by private-sector accommodation which councils pay for, either on a nightly basis, or on a lease, where a local authority or housing association takes the lease over a number of years and lets the property to homeless households. The Mayor does not have statutory responsibilities for TA. These responsibilities sit with London boroughs.

When someone applies for assistance with homelessness from their council, TA can be used by councils until another resolution is found. Most people living in TA in London⁴⁶ have been assessed by their council to be "eligible, [to] have a priority need for accommodation and [to not be]... homeless intentionally".⁴⁷ While the council is carrying out an assessment as to whether a household meets this criteria or not, the council may place them in TA in the interim, if the council has "reason to believe" that the household will be assessed as meeting this criteria.⁴⁸

The homelessness duties

Councils have various duties to support households which are homeless or at risk of homelessness. ⁴⁹ Local authorities have a **"prevention duty"** to take "reasonable steps to help to prevent any eligible person" from becoming homeless, and a **"relief duty"** to help people who are already homeless to secure accommodation. Both duties last for a maximum of 56 days.

⁴² London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁴³ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

⁴⁴ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided'.

⁴⁵ Mayor's Questions, 'Temporary accommodation', 2021/2772, July 2021.

⁴⁶ DLUHC, Statutory homelessness in England: July to September 2023, 'Detailed local authority level tables':

^{&#}x27;Table TA3 - Number of households by duty under which temporary accommodation is provided'.

⁴⁷ DLUHC, Homelessness code of guidance for local authorities, <u>Overview of the homelessness legislation</u>, October 2023.

⁴⁸ DLUHC, Homelessness code of guidance for local authorities, <u>Chapter 15: Accommodation duties and powers</u>, October 2023.

⁴⁹ DLUHC, Homelessness code of guidance for local authorities, <u>Overview of the homelessness legislation</u>, October 2023.

The prevention duty involves local authorities "either helping [the applicant] to stay in their current accommodation or helping them to find a new place to live before they become actually homeless". ⁵⁰

The relief duty involves the local authority "helping the applicant to secure accommodation". During this time, if the local authority "has reason to believe a homeless applicant may be eligible for assistance and have a priority need they must be provided with interim accommodation" (TA).⁵¹

Once a prevention or relief duty has elapsed, and "if homelessness is not successfully prevented or relieved, a housing authority will owe the 'main housing duty' to applicants who are eligible, have a priority need for accommodation and are not homeless intentionally" [bold added].⁵² Under the main housing duty, the local authority must secure TA for the household. The main housing duty ends when the household accepts the offer of a tenancy in the private rented or social housing sector, or for other reasons such as if they "ceases to be eligible for assistance" or "becomes homeless intentionally".⁵³

Not all people who apply for assistance are owed a homelessness duty by their council. Not all people who are owed a homelessness duty are placed in TA. According to the latest data, most London households living in TA are owed the main homelessness duty, and about a quarter have been placed in TA as an interim measure (e.g. while an assessment or appeal is being made).⁵⁴

Several London boroughs told us that the number of people presenting to them as homeless had risen substantially in 2023 and was likely to continue to rise.⁵⁵ For example, Newham Council forecasted an increase of 22 per cent in homelessness applications in 2023-24 compared with 2022-23, which had already seen a 20 per cent increase on 2021-22.⁵⁶

⁵⁰ DLUHC, Homelessness code of guidance for local authorities, <u>Overview of the homelessness legislation</u>, October 2023.

⁵¹ DLUHC, Homelessness code of guidance for local authorities, <u>Overview of the homelessness legislation</u>, October 2023.

⁵² DLUHC, Homelessness code of guidance for local authorities, <u>Overview of the homelessness legislation</u>, October 2023

⁵³ DLUHC, Homelessness code of guidance for local authorities, <u>Chapter 15: Accommodation duties and powers</u>, October 2023.

⁵⁴ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables':

^{&#}x27;Table TA3 - Number of households by duty under which temporary accommodation is provided'.

⁵⁵ Barnet Council, Newham Council, Hackney Council in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁵⁶ Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

In July to September 2023:

Councils made homelessness assessments for **16,170 London households** who had approached their councils for help. This was a **rise of 17 per cent** from the previous year.⁵⁷

Types of TA

The type of TA that people can be placed in differs. The proportion of London households living in different types of TA at the end of September 2023 included:

- 31 per cent in **nightly-paid**, **privately managed**, **self-contained** accommodation
- 32 per cent in other forms of **private accommodation on short-term lets** by the local authority or a housing association
- 19 per cent in local authority or housing association stock
- 9 per cent in **B&B accommodation**
- 4 per cent in **hostels** (including refuges)
- 6 per cent other types or unknown.⁵⁸

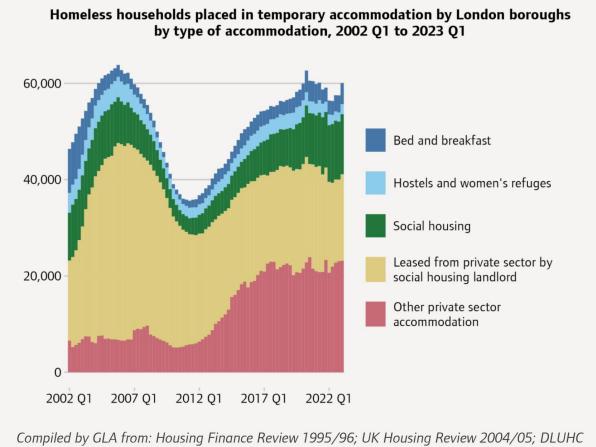
Some properties are self-contained, some are not. Those which are not self-contained (B&B properties and hostels) have shared bathrooms, and may have cooking and laundry facilities, which are shared.

⁵⁷ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

⁵⁸ DLUHC, Statutory homelessness in England: July to September 2023, 'Detailed local authority level tables': 'TA1

⁻ Type of temporary accommodation provided'.





live tables 775 and TA1.

Source: GLA, Housing in London 2023, October 2023

The number of London households living in B&B properties is increasing. Almost one in ten London households living in TA in September 2023 were living in B&Bs, a 50 per cent increase from the previous September. 59 B&Bs are defined as not separate or self-contained, where amenities such as bathrooms might be shared by more than one household; and which may or may not include shared cooking facilities (breakfast is not required for these properties to be called B&Bs). 60 Some local authorities that responded to our call for evidence said due to lack of availability in the private rented sector of homes affordable at current LHA rates, they were having to rely more on B&Bs and hotels for use as TA.⁶¹ Southwark Council emphasised that it had committed:

⁵⁹ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

⁶⁰ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October

⁶¹ Enfield Council, Tower Hamlets Council, West London Housing Partnership, London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

"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 ... only one family was temporarily placed in B&B accommodation [in Southwark] as of June 2023, with no families in B&B for longer than 6 weeks". 62

The Government states that shared B&B accommodation is not suitable for families, and "can be particularly detrimental to the health and development of children".⁶³ It therefore sets a legal limit of six weeks on the period that councils are able to place families in B&Bs.⁶⁴

The London Housing Panel is an initiative jointly funded and supported by the GLA and Trust for London. It is made up of members from the voluntary and community sector, and meets with the GLA to discuss London's housing needs. The London Housing Panel told the Committee that: "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." ⁶⁵

At the end of September 2023:

1,860 families from London were living in B&B accommodation. This was over three times the number one year earlier.

73 per cent of these families in B&Bs had been living there for **six weeks or longer**, which is unlawful.⁶⁶ The figure was just 52 per cent a year earlier, and 34 per cent five years earlier.

The number of families living in B&Bs in London has fluctuated significantly over the last 15 years, but the number recorded in September 2023 was the **highest number recorded** over this period.⁶⁷

Some councils in London place people in need of TA in council-owned or in housing association housing stock, on short-term tenancies – this accounted for almost 20 per cent of London households living in TA in September 2023.⁶⁸ In many cases, this housing stock may be awaiting demolition for regeneration. For example, Southwark Council told us that:

⁶² Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁶³ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October 2023.

⁶⁴ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October 2023.

⁶⁵ London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁶⁶ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 17: Suitability of accommodation</u>, October 2023.

⁶⁷ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

⁶⁸ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'TA1

⁻ Type of temporary accommodation provided'.

"Most of the households that are offered TA in borough are now staying in councilowned 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." 69

The West London Housing Partnership also mentioned exploring the use of "meanwhile sites" (vacant premises which are leased for temporary use while awaiting a long-term use) as TA.⁷⁰

Where are Londoners placed in TA?

Many local authorities told us that because of the lack of affordable housing in their areas, they are placing more people in TA outside of their own home borough, or even outside of London.⁷¹

London local authorities told the Committee that they cannot afford to pay for the amount of TA needed in their own boroughs, because TA is getting more expensive as the supply of TA declines, and also because the amount that local authorities receive to pay for TA is capped by the Government and has been frozen since 2011. (See 'Paying for TA' in Chapter three of this report).

The Committee were told that these out-of-borough placements were a last resort, but were becoming more common because of these factors around supply, lack of affordability, and funding.⁷² The number of out-of-borough placements in London increased by 15 percent over a five-year period from September 2018 to September 2023, while the total number of London households in TA during this period increased by 10 per cent.

Some boroughs also told us that they experienced competition procuring TA in their own area. For example, Enfield Council stated that it has been a "historic net importer of applicants, with other Local Authorities securing accommodation within our area due to the relatively cheaper rented stock". Enfield Council stated that this had affected its ability to access TA for its residents within the borough and that it was now looking nationally "in order to meet the demand".⁷³

⁶⁹ Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁷⁰ West London Housing Partnership (WHLP), in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁷¹ Barnet Council, Enfield Council, Newham Council, West London Housing Partnership, Westminster City Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁷² London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁷³ Enfield Council in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

24,430 London households were living in TA in a different borough to their own, including outside of London, at the end of September 2023. This was an increase of 15 per cent compared to five years previously (2018), and an **increase of 123 per cent** compared to **ten years previously** (2013).

The rest of England has seen an even steeper rise in out-of-borough placements. In the rest of England, **6,700 households** were living in TA out-of-borough in September 2023. This was an increase of 177 per cent compared to five years previously (2018), and of almost **630 per cent** compared to ten years previously (2013).⁷⁴

Who is living in TA?

Most households living in TA in London have been placed there because the household or one of its members are in "priority need".⁷⁵ Priority need includes people who are vulnerable, pregnant, homeless because of domestic abuse, have dependent children, or similar.⁷⁶

In July to September 2023, among households assessed as owed a **main homelessness duty**:

Over half of households included dependent children.

Around one in ten of households had a physical disability or ill health

Almost one in ten experienced mental health problems

Almost one in ten had experienced domestic abuse.⁷⁷

During our investigation, we heard that some groups are overrepresented among homeless Londoners. While there is limited Government data on the demographics of Londoners living in TA, we heard concerns about particular groups:

⁷⁴ DLUHC, <u>Statutory homelessness in England</u> – see local authority tables for each year.

⁷⁵ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables':

^{&#}x27;Table TA3 - Number of households by duty under which temporary accommodation is provided'.

⁷⁶ DLUHC, <u>Homelessness code of guidance for local authorities</u>, <u>Chapter 8: Priority need</u>, October 2023.

⁷⁷ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'MD3 – Number of households owed a main duty by priority need'.

- **Disabled people:** Inclusion London told us that "A significant proportion of people living in TA in London are Disabled people", and that they experience unsuitable accommodation where the necessary adaptations have not been made, and tend to have longer stays in TA overall. The latest Government data shows that among those London households owed a "main duty" for homelessness (under which the council must provide TA to the household), over 10 per cent of these households had a member with a physical disability or ill health.
- **Single-parent families:** There is a much higher proportion of single-parent families living in TA than there is in London's population overall. 40 per cent of Londoners living in TA are single parents with dependent children (women make up the overwhelming majority of this group, meaning that single mothers with dependent children represent 37 per cent of Londoners living in TA). Single-parent families with dependent children make up only 8 per cent of London's population.
- **Black and minority ethnic Londoners:** According to Government data, Londoners identifying as Black / African / Caribbean / Black British, made up 27 per cent of applicants assessed by their councils as being "owed a prevention or relief duty", ⁸² while they made up 12 per cent of London's overall population.⁸³

Jamie Thunder (Policy and Public Affairs Officer, Z2K) told us: "the underlying commonality among people in TA is poverty. That is itself a feature that often means that people are not listened to."⁸⁴

Resettlement schemes are also potentially adding to the challenge faced by local authorities. We heard from some local authorities that they are seeing increased numbers of people applying for help with homelessness as a result of resettlement schemes (including for Ukrainians, Afghans, Syrians and Sudanese people). Southwark Council stated:

"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."

⁷⁸ Inclusion London and London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁷⁹ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': 'MD3 – Number of households owed a main duty by priority need'.

⁸⁰ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': : TA2 – Number of households in temporary accommodation by household composition'.

⁸¹ ONS, Census 2021, TS003 - Household composition

⁸² DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': A8 – Ethnicity of main applicants assessed as owed a prevention or relief duty by local authority'.

⁸³ ONS, Population estimates by ethnic group, England and Wales: 2019, published December 2021.

⁸⁴ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

⁸⁵ Newham Council, Harrow Council, Southwark Council in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁸⁶ Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

We also heard that Londoners living in TA tend to be vulnerable, and often have complex needs or issues such as drug and/or alcohol abuse, but that support for these complex needs is lacking.⁸⁷ Barnet Homes, an arm's length management organisation for Barnet Council, stated with regard to these vulnerable residents:

"Whilst we place [them] in temporary accommodation, pursuant to the homelessness duties, they lack a formal support package – and therefore do not receive the support that they may need."⁸⁸

Difficulty in accessing TA

Guests told us about the difficulties people face in accessing support. Jamie Thunder and Kwajo Tweneboa (social housing activist) told the Committee that, when people struggle to access homelessness support from their councils, it can lead to a perception of "gatekeeping". Jamie stated:

"Our advisers, clients, and others with lived experience that we speak to report real difficulties in contacting local authorities, simply getting someone on the phone, and we also found we often have to formally challenge a local authority to get a right decision, which takes time, resource and often expertise. Our clients also tell us that people often get spoken to better if they have an adviser with them or if an adviser is making the contact, which, first of all, simply does not need to be the case."

"The attitudes with which we are treating individuals who are declaring themselves homeless really need to change first and foremost. That costs nothing." 90

Kwajo Tweneboa Social housing activist

⁸⁷ Islington Council, Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁸⁸ Barnet Homes, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁸⁹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

⁹⁰ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

How long do people stay in TA?

TA is often not temporary for Londoners who live in it. This exacerbates the impact of the poor conditions and amenities they often experience and magnifies the disruption to their lives. While some Londoners might live in TA for years, they are in insecure tenancies. We heard that Londoners may not receive the support they need to navigate the social housing allocation system, or in some instances may even be removed from housing waiting lists unknowingly. Households can be placed in TA until it is judged that the councils' homelessness duty is discharged, either because alternative accommodation has been found, or for other reasons, such as the local authority judging that the person no longer has a "priority need". 91

Length of stay is a more serious problem in London than other areas in the country, with people living in TA in London longer because of the lack of permanent rental accommodation for them to move on to. Research from the homelessness charity Shelter shows that 79 per cent of households in TA in London stay for over a year. ⁹² London Councils states that homeless households in London have an average stay in TA five times longer than elsewhere in England. ⁹³ London Gypsies and Travellers told us: "From our experience families are in TA between 3-7 years". ⁹⁴

"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." ⁹⁵

London Councils

Councils told us that the undersupply of social housing makes it very difficult for them to find affordable "move-on" accommodation for residents living in TA. 96 Newham Council stated:

"There are currently over 36,000 households on the housing register, most of whom also have a reasonably [sic] preference... 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." ⁹⁷

⁹³ London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁹¹ DLUHC, Homelessness code of guidance for local authorities, <u>Chapter 15: Accommodation duties and powers</u>, October 2023.

⁹² Shelter, Still Living in Limbo, 2023.

⁹⁴ London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁹⁵ London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

⁹⁶ Enfield Council, Southwark Council, in Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

⁹⁷ Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

We heard evidence that the intention for TA to be temporary – even when it is not – has a serious impact on the conditions that people experience. For example, suitable adaptations are not made for disabled Londoners living in TA.⁹⁸ Jamie Thunder described:

"We have clients with disabilities where the council accepts that the property is not suitable for them and/or that it is in a state of disrepair, but they are not able to find an appropriate property for them" ⁹⁹

We also heard from several organisations and individuals during our investigation that some Londoners have been living in TA for years, in insecure tenures. ¹⁰⁰ For example, the People's Empowerment Alliance for Custom House (PEACH) represents homeless households placed by Newham Council in the Custom House and Canning Town Regeneration Zone. Council-owned properties in this area were leased by TA providers, and let to homeless households. PEACH highlighted a lack of clarity around eligibility for rehousing within the regeneration area for households who had been living in TA for several years:

"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." 101

PEACH highlighted to us that regeneration plans in the area will have different impacts on households living in TA:

"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." 102

PEACH, alongside other organisations including the Roma Support Group and London Gypsies and Travellers, highlighted challenges that Londoners living in TA face with navigating the housing allocation process. PEACH stated that many of its members living in TA were, "under criteria set under the Localism Act 2012... deemed to be 'adequately accommodated' and removed from the Housing Waiting List or prevented from bidding for secure homes". 104

⁹⁸ Inclusion London and London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.
 Southwark Council, PEACH, London Gypsies and Travellers, Inclusion London, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].
 PEACH, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁰² PEACH, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹⁰³ PEACH, Roma Support Group, London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹⁰⁴ PEACH, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

What is living in TA in London like?

During our investigation we heard about the poor conditions and disruptive nature of living in TA and how this can have a severe impact on health and wellbeing of vulnerable Londoners.

Poor conditions of TA

As there are many types of TA and of TA providers, there is not a comprehensive picture of the standards of TA across London. However, we received a considerable amount of evidence that much of the TA in London is in poor condition, and that many TA residents have had bad experiences with the state of their accommodation.¹⁰⁵

Setting the Standard is a pan-London scheme which inspects and grades nightly-let TA, to ensure that it meets minimum safety standards. Setting the Standard was set up with a grant of £186,000 from the Ministry of Housing, Communities and Local Government (MHCLG) and £50,000 from the GLA. 106 The running costs of the service are met by London local authorities.

Setting the Standard operates in 30 out of 33 London local authorities (including 32 boroughs and the City of London). Nightly-let TA includes about 40 per cent of all TA in London. Setting the Standard officers visit properties annually and grade them A to E. Grades A-C are a pass and grades D and E are fails. Grade D properties are "where some hazards are present, and/or where documentation has not been provided" and local authorities "make placements at their own risk". Grade E properties are where the premise is "unacceptable and should not be used by participating local authorities until issues are remedied". 109

During the Committee's visit to a TA hostel in September 2023, Setting the Standard told us that over half of the buildings they inspect are rated as Grade D, meaning that these fail inspection. While the hostel that the Committee visited in September received a grade A, it is clear that most nightly-let TA does not fall even close to this standard.

¹⁰⁵ See, for example: Crisis, PEACH, Roma Support Group, London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf]. ¹⁰⁶ West London Alliance, <u>Setting the Standard: everything you need to know</u>

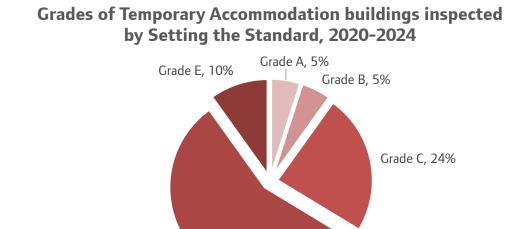
¹⁰⁷ Commissioning Alliance, Setting the Standard.

¹⁰⁸ DLUHC, <u>Statutory homelessness in England: April to June 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided', July 2023.

¹⁰⁹ Setting the Standard, <u>Grading Matrix</u> and <u>Standards and Guidance Note for StS Inspection Officers and Local Authorities</u>, September 2022.

¹¹⁰ Information shared with the Committee by Setting the Standard, September 2023.

Grade D, 57%



■ Grade A ■ Grade B ■ Grade C ■ Grade D ■ Grade E

The chart shows the grades assigned to all buildings inspected by Setting the Standard since the service began in 2020. Setting the Standard inspects nightly-let Temporary Accommodation in 30 out of 33 London local authorities (including 32 London boroughs and the City of London). Buildings can contain one or more Temporary Accommodation properties. The data relates to 787 buildings in total.

Source: Information shared with the Committee by Setting the Standard, February 2024

"On the question about 'Does it vary from borough to borough?' it does vary but I am not talking about from good to bad, I am talking about from bad to absolutely outrageously bad. I think that is a fair and accurate portrayal of what I have seen." 111

Kwajo Tweneboa Social housing activist

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¹¹¹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript

In 2023, Shelter published research which sets out that households living in TA in London are more likely than households in the rest of England to experience problems with:

- Infestations (42 per cent in London compared with 27 per cent outside of London);
- Heating (35 per cent in London compared with 23 per cent outside of London);
- Access to running water (24 per cent in London compared with 13 per cent outside of London); and
- Safety hazards (24 per cent in London compared with 17 per cent outside of London)."¹¹²

According to the latest data, 40 per cent of London households were living in TA with children. However, Shelter stated that two in three London families they spoke to as part of their research said that they did not have enough space to live in; and almost a quarter of Londoners living in TA whom they spoke to did not have anywhere to eat outside of the room they sleep in. Shelter added that four in ten children in London living in TA did not have their own bed. 114

The evidence we heard during our investigation supported much of these findings. We also received evidence from organisations and case studies that many Londoners living in TA may encounter a lack of safety and privacy, experience overcrowding, and may not have access to amenities for cooking, laundry and accessing the internet, or space for children to play. Maria Morgan (Executive Director, Kineara Community Interest Company) described:

"We have a family that was living in a rat-infested property. They had to move into a kitchen with their seven-month-old baby and the seven-month-old baby had to stay in their travel cot because they could not move around the accommodation. I have pictures of rats and mice in their food, and it stunted the baby's growth. We spent a lot of time trying to raise this. Eventually, the family was moved, and the development of their child is so different than what it was. He is running up and down, you cannot keep him still because he is moving, which he was not doing before. He had to stay in the kitchen in a cot because it was not safe. This is a child protection issue."

Maria Morgan emphasised the importance of understanding "the impact of insecure housing on people's health," especially relating to "the insecurity of TA and the conditions that they are living in". We also heard about the challenges faced by residents trying to report and address the state of the TA they are living in. Kwajo Tweneboa stated: "There is not enough support there for residents who are living in poor conditions in TA. They simply feel like they do not have a voice." 118

¹¹² Shelter, Still Living in Limbo, 2023.

¹¹³ DLUHC, <u>Statutory homelessness in England: April to June 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided', July 2023.

¹¹⁴ Shelter, <u>Still Living in Limbo</u>, 2023.

¹¹⁵ Tower Hamlets Council, London Gypsies and Travellers, London Housing Panel, Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹¹⁶ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹¹⁷ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹¹⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

"In some cases, it is so obviously wrong and inhumane, not even fit for animals to be living in. But also, you realise you are in TA and what you do not want to do is be seen to be complaining in case for some reason you are kicked off that list, or for some reason you are not provided with social housing, or you become too much of a nuisance to those individuals that you are dealing with." 119

Kwajo Tweneboa Social housing activist

Guests also identified a particular issue with TA properties that had been converted from commercial to residential properties through "Permitted Development Rights" (PDR). This is a form of conversion that does not require planning permission. Lucy Holmes (Creating Change Director, Groundswell) stated:

"Certainly, there are people living in not just poor quality renovated properties, but in inappropriate locations... often these PDR properties are in industrial areas. They do not have infrastructure. They do not have local amenities. There are issues with temperature control. People find it very difficult to keep those sorts of properties cool enough in hot weather, which has a big impact on your wellbeing. They have issues with noise from outside and from within buildings, if they are poorly insulated." ¹²¹

Lucy Holmes referred to research conducted by University College London which describes that PDR conversions are "particularly prevalent" in London and explores health and wellbeing impacts of living in such properties. However, she stated that there are gaps in the data with regard to TA:

"I mentioned that gap around understanding which PDR converted properties are being used for TA in London. Some sort of working group and deeper dive into the world of data and what there is a need for would be very helpful as a place to start." ¹²³

During our investigation we heard that London boroughs are extremely concerned about the situation and the impact on their residents. 30 out of 33 local authorities have signed up to Setting the Standard, in order to monitor the conditions of TA. However, boroughs told the Committee that they could only afford to procure accommodation at the lower end of market rents within the amount of funding they receive from the Government to pay for TA. Boroughs

¹¹⁹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u> ¹²⁰ UCL, <u>'An exploratory study investigating the health and wellbeing impacts of housing created through permitted development in London'</u>, 2023.

¹²¹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u>
¹²² UCL, <u>'An exploratory study investigating the health and wellbeing impacts of housing created through permitted development in London'</u>, 2023.

¹²³ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u>
¹²⁴ Commissioning Alliance, <u>'Setting the Standard'</u>.

told the Committee that standards at the lower end of the private rented sector are poor. Joanne Drew told us:

"The type of accommodation we can afford to pay for, and that is affordable for residents, is at the lower end of the market. Landlords struggle to invest the level of capital resources required to keep a property up to modern day standards. It is very much a product of the market." 125

Disruption to jobs, lives, schooling and healthcare

Respondents to our call for evidence and guests at our meeting described the disruption to jobs, lives and schooling that living in TA entails. Shelter estimated that two thirds of people they engaged with were given "less than 48 hours' notice when they were last moved between temporary accommodation placements". Lucy Holmes emphasised: "It is a very tricky position to be somewhere for a very long time but know that you might be moving with very little notice." 128

The London Housing Panel also described to us the effects of frequent moves on people who are disabled. For example, a person "with a visual impairment... [has] to learn to navigate a new property and neighbourhood every time they move". 129

Out-of-borough placements arose as a key concern across many of the responses to our call for evidence. Out-of-borough placements exacerbate the disruption to lives and children's schooling.¹³⁰ These placements also remove people from their support networks and essential caring responsibilities. London Gypsies and Travellers told the Committee:

"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." ¹³¹

We also heard about the impact of living in TA on people with complex health problems.¹³² Guests described to us the ways in which having an uncertain and unstable housing situation

¹²⁵ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript.

¹²⁶ Newham Council, Barnet Council, London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].
¹²⁷ Shelter, Still Living in Limbo, 2023.

¹²⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹²⁹ London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹³⁰ Newham Council, London Councils, London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

London Gypsies and Travellers, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹³² London Gypsies and Travellers, PEACH, Hackney Council, Islington Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

can have detrimental impacts on health and wellbeing. For example, Londoners living in TA struggle to access healthcare, partly because of long waiting lists. Lucy Holmes stated:

"Here is an example of a problem that we see a lot: people who are moved from one area to another, who have been on a mental health waiting list for ages, and when they move area, they are taken off that list and go to the bottom of the list in the new area."133

She added:

"We see a lot of people living in TA more commonly using accident and emergency than the rest of the population. There is a question there. Are they struggling to access primary healthcare provision in the area that they are currently placed in?" 134

"The research that we have just done with people living in TA in London found that sense of 'it could end any minute' is a significant barrier to people putting down roots and engaging with the local communities, amenities in the area and local health services. That is why people stay registered with their GP in another borough or in another area, their dentist that they have had, or kids' schools." 135

Lucy Holmes, Creating Change Director Groundswell

¹³³ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹³⁴ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹³⁵ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

Chapter two: Preventing homelessness

Key findings

- The Committee would like to see authorities focusing on addressing the factors that lead to Londoners having to rely on TA. Central to these is the supply of affordable housing, and affordability and stability in the private rented sector. Not only does the lack of affordable homes put Londoners more at risk of homelessness, it also means that Londoners living in TA have a longer stay because of the lack of "move-on" accommodation.
- Increasing the supply of affordable and market-rate housing in London is critical the Mayor must accelerate the delivery of affordable housing and must also explore ways of incentivising private sector investment in the housing sector.
- The undersupply of private rented accommodation, especially at lower rents, is a severe and increasing problem. Private landlords are leaving the market as it no longer makes financial sense for them. Private TA providers are also ending their leases with councils. Landlords need to be supported and incentivised to stay in the lower end of the market.
- Instability in the private rented sector is a major driver of homelessness. The end of private sector tenancies is the top or one of the top reasons for people presenting as homeless in many London boroughs. Many local authorities told us that Section 21 "no-fault" evictions were, or were thought to be, driving this increase in the end of tenancies. The Committee would like to see a timetable for how the Government will deliver its commitment to end Section 21 evictions.
- One in seven Londoners rely on housing benefits to pay for private rents. More than 38 per cent of UC claimants in London are in work. Local Housing Allowance (LHA) is the maximum amount that Universal Credit and Housing Benefit claimants can receive to pay their private rents. LHA was raised by 13 per cent in April 2020 to cover the 30th percentile of local market rents, and was frozen thereafter until 2024. Since our investigation, the Government has announced that the LHA will be raised by 16 per cent from April 2024, in order to keep pace with the 30th percentile of local market rents. The Committee welcomes the Government's commitment to raising LHA rates to cover the lower 30 per cent of local market rents from April 2024, though notes that the rate will be frozen again from 2024 onwards.

¹³⁶ Hackney Council, Southwark Council, City of Westminster, Lambeth Council, Barnet Homes, Enfield Council, Islington Council, Merton Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹³⁷ Enfield Council, Westminster City Council, London Councils, Newham Council, West London Housing Partnership, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹³⁸ DWP via LG Inform, 'Proportion of Universal Credit claimants in employment in England', December 2023.

Social housing and affordable housing

During our investigation, we heard how insufficient social and affordable housing was leading to homelessness. Organisations such as the London Housing Panel highlighted how, as a result of insufficient social housing, low-income Londoners need to rely on the private rented sector which is increasingly unaffordable. London Gypsies and Travellers also highlighted that the lack of suitable Gypsy and Traveller sites is contributing to more need for TA among their communities. Among their communities.

Many councils which responded to our call for evidence highlighted that waiting lists for social housing in their borough were very long, meaning that for most of these households there were limited prospects of accessing social housing. ¹⁴¹ Some councils in particular highlighted the long wait for family sized social housing, with Westminster City Council stating: "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." ¹⁴² Respondents told us that the lack of social housing in London meant that Londoners have to rely on the private rented sector, and that people living in TA have a longer stay. ¹⁴³

Many councils and other organisations emphasised the importance of building more social housing and affordable housing. 144 During our investigation, Maria Morgan told the Committee that: "It is important to acknowledge the context that we are in and that whatever we are talking about today [...] is impacted by the wider context that we are living in." She added: "there are wider issues that are impacting housing: the need to build more social housing". 145

"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." 146

Dinah Roake, Chair London Housing Panel

Westminster City Council, Habitat for Humanity, and the London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].
 London Gypsies and Travellers, London Assembly Housing Committee, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].
 Hackney Council, Westminster City Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Westminster City Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁴³ Harrow Council, Westminster City Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Roma Support Group, Hackney Council, Enfield Council, Harrow Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁴⁵ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

¹⁴⁶ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript.

"Affordable housing" is an umbrella term for a variety of tenures for rent and sale. The eligibility of these tenures differs. 147

Social Rent, Affordable Rent and London Affordable Rent are known as "low-cost" housing. These tenures are allocated by local authorities. Each authority has different policies on who qualifies and gets priority for this housing. In terms of rent levels:

- Social Rent levels are determined by a complex rent formula set by Government usually around 50 per cent of local market rent.
- Affordable Rent was a new tenure introduced by the Government in 2011, where rents are no more than 80 per cent of local market rent.
- London Affordable Rent was a new tenure introduced by the Mayor in 2016, and was intended to be "genuinely affordable", with rent levels that roughly correspond to Social Rent levels (though are generally slightly higher). The GLA sometimes use the term "social housing" to refer to London Affordable Rent.¹⁴⁸

"Intermediate housing" is defined as affordable housing that is targeted at people who have little chance of accessing low-cost rent housing, but who are not able to rent or buy a home on the open market. Intermediate housing includes (though is not limited to) London Living Rent and Shared Ownership. These tenures are intended to help tenants buy their home.

According to GLA analysis in 2017:

"The net requirement for new homes in London between 2016 and 2041 is estimated to be around 65,900 homes a year. Of this total, 47 per cent would need to be 'low-cost rent' (social rent and Affordable Rent) and 18 per cent intermediate (e.g. shared ownership and London Living Rent)." ¹⁴⁹

In England, the amount of social housing as a proportion of the total stock of affordable housing has reduced since 2011, as other affordable tenures such as Affordable Rent and Shared Ownership have become more common. Analysis by the House of Commons library stated that factors affecting the supply of social housing include Right to Buy sales, conversions from social rent to Affordable Rent, demolitions, and a long-term decline in building social housing since the 20th century.

In our Affordable Housing Monitor published in October 2023, the Committee showed that in London, demolitions and sales (sales of affordable homes through Right to Buy and 100 per cent staircasing sales of shared ownership homes), resulted in a net loss to the stock of

¹⁴⁷ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁴⁸ In its data on housing starts and completions, the GLA did not distinguish between London Affordable Rent and Social Rent. Source: GLA, <u>Affordable Housing Statistics</u>, GLA Housing Starts on Site and Completions. Further detail on this in London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023, p.49.

¹⁴⁹ GLA, <u>Strategic Housing Market Assessment</u>, November 2017.

¹⁵⁰ House of Commons library, <u>'Social rented housing in England: Past trends and prospects'</u>, March 2024.

¹⁵¹ House of Commons library, <u>'Social rented housing in England: Past trends and prospects'</u>, March 2024.

affordable homes (which includes social housing and other tenures) in 2016-17. Since 2017-18, completions of new affordable homes have outweighed losses to the stock from sales and demolitions. However, the level of affordable housing in London does not match need.

The Mayor receives funding from the Government under the Affordable Homes Programme (AHP), which allocates to housing providers in London. Homes England allocate AHP funding for the rest of England. There have been two funding periods of the AHP, spanning 2016-23 and 2021-26. The overall amount of funding from the Government was split 50:50 between Homes England and the Mayor in 2016-23, and 65:35 between Homes England and the Mayor in 2021-26. The overall amount of funding from the Government was split 50:50 between Homes England and the Mayor in 2021-26.

The Mayor received £4.82bn as part of the AHP 2016-23. The AHP funds both new builds and acquisitions of homes. As part of the AHP 2016-23, the Mayor introduced the Right to Buy-back programme, which funded councils to acquire existing market homes and to convert them into affordable tenures. The Mayor stated that through this programme, which closed in March 2023, "councils brought over 1,200 private homes into council ownership". The Mayor stated that through this programme, which closed in March 2023, "councils brought over 1,200 private homes into council ownership".

The Mayor met his target for 116,000 affordable homes starts under the AHP 2016-23 by March 2023.¹⁵⁸ By the time of our investigation in November 2023, 61,755 of these homes remained to be completed.¹⁵⁹

The Mayor was also allocated £4bn for the AHP 2021-26.¹⁶⁰ However, the targets and conditions of the AHP 2021-26 were reprofiled and renegotiated with the Government in 2023.¹⁶¹ In 2023, the Mayor introduced the Council Homes Acquisition Programme (CHAP), funded by the AHP 2021-26, as a successor to the Right to Buy-back programme.¹⁶²

In November 2023, the Mayor had not yet delivered any starts under the AHP 2021-26.¹⁶³ It is critical that the Mayor delivers on his 2021-26 commitments in relation to housing targets and affordable homes and ensures that the homes from the previous 2016-23 programme are completed as soon as possible.

¹⁵² London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁵³ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁵⁴ National Audit Office, The Affordable Homes Programme since 2015, September 2022, p.21.

¹⁵⁵ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁵⁶ GLA, <u>Bidding information: Right to Buy-back fund</u>.

¹⁵⁷ Mayor's Questions, 'Council Homes Acquisition Programme (4)', 28 December 2023.

¹⁵⁸ GLA, 'Mayor hails record-breaking housing delivery as he meets his promise to start 116,000 affordable homes for Londoners', 15 May 2023.

¹⁵⁹ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁶⁰ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

¹⁶¹ London Assembly Housing Committee, Affordable Homes Programme 2021-26, 19 October 2023, <u>Transcript</u>, p.2.

¹⁶² GLA, Council Homes Acquisition Programme.

¹⁶³ London Assembly Housing Committee, <u>Affordable Housing Monitor</u>, November 2023.

Recommendation 1

Now that the Affordable Homes Programme (AHP) 2021–26 has been reprofiled and renegotiated with the Government (in 2023), the Mayor must begin delivering affordable homes "starts" under the AHP 2021–26 in 2024–25. The Mayor must also work with the Government to ensure that London has the resources it needs to deliver sufficient new supply to meet housing demand. He must also ensure that the homes from the previous AHP 2016–23 programme are completed as soon as possible.

Recommendation 2

The Mayor should continue to invest in the building and acquisition of new social homes, making use of government funding where available, to ensure those unable to access secure housing in the private rented sector have a safe and sustainable route out of Temporary Accommodation.

The Committee notes that approaches to social housing allocation differ across London boroughs, and that people living in TA are not necessarily placed high on the list for social housing in all boroughs. For example, Newham Council told us:

"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." 164

Lambeth Council told us:

"At the end of March 2023 around 79 per cent of all households in temporary accommodation were waiting to successfully bid for permanent homes, over 90 per cent were in medium priority rehousing Band C with little prospect of social housing for at least 5-7 years." ¹⁶⁵

Recommendation 3

The Committee recognises that local authorities set their own housing allocation policies according to local need. However, we encourage the Mayor and his advisers to engage further with local authorities to ensure that across all London boroughs, Londoners living in Temporary Accommodation, especially for long periods, are a higher priority in the allocations process.

¹⁶⁴ Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁶⁵ Lambeth Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Private rented sector

The Committee heard substantial evidence that the limited supply, lack of affordability, and instability of tenure in the private rented sector is a major contributing factor in the high demand for TA. All organisations and individuals we heard from during the investigation commented on the lack of affordability in the private rental sector. The cost-of-living crisis has been further contributing to the affordability challenges in the sector.

Landlords leaving the sector

Many respondents to the Committee's call for evidence, including several local authorities, identified a significant fall in the supply of PRS properties in the last year in London – especially those at the lower end of rents. ¹⁶⁶ For instance, Harrow Council described:

"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". 167

The period of January to March 2023 saw a reduction of over 35 per cent in the availability of homes to rent in London, compared to the same months in 2017-19. Many private landlords at the lower end of the market are leaving the market or ceasing to let to tenants with low incomes, as it no longer makes financial sense for them. In July 2023, a survey by the London School of Economics found that 40 per cent of landlords who had let to tenants with low incomes have reduced their exposure in the last two years.

We heard that this is negatively affecting councils' ability to procure TA. Newham Council, which had ten per cent of London's households in TA in June 2023, ¹⁷¹ stated:

"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." ¹⁷²

 $^{^{166}}$ Barnet Council, Enfield Council, Hackney Council, Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - $\underline{\text{responses}}$, October 2023 [opens as pdf].

¹⁶⁷ Harrow Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023.

¹⁶⁸ Savills and LSE Consulting, <u>Supply of Private Rented Sector Accommodation in London, Summary Report</u>, July 2023, p.8.

¹⁶⁹ Savills and LSE Consulting, <u>Supply of Private Rented Sector Accommodation in London, Summary Report</u>, July 2023, p.22.

¹⁷⁰ Savills and LSE Consulting, <u>Supply of Private Rented Sector Accommodation in London, Summary Report</u>, July 2023, p.22.

¹⁷¹ DLÜHC, <u>Statutory homelessness in England: April to June 2023</u>, 'Detailed local authority level tables': 'TA1 – Type of temporary accommodation provided', July 2023.

Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

London Councils reported to us that in June 2023:

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 per cent higher** compared to the same month a year earlier.

In the preceding ten months London boroughs received 6,317 notices to quit from TA providers: equivalent to **12 per cent of London's total TA stock**.¹⁷³

"We know that landlords are similarly being affected by the cost-of-living crisis and mortgage increases. Some of them cannot make it work anymore and they may well be selling their property or withdrawing it from the LHA area because they need to generate more income to cover their costs. I would not want to suggest that landlords are the problem either. We have a systemic issue that needs big solutions." 174

Sue Edmonds, Chief Executive Capital Letters

Overcrowding and evictions

The Committee were told that the fall in the supply of private rented accommodation has worsened affordability, and together this has exacerbated overcrowding issues. Southwark and Newham Councils both told the Committee that being asked to leave or being "evicted" by friends and family as a result of overcrowded homes were the biggest reasons for homelessness in their boroughs.¹⁷⁵

In July to September 2023, the top reasons in London for the "loss of last settled home" for households owed a homelessness prevention or relief duty, were "family or friends no longer willing or able to accommodate", or the end of a private rented tenancy (some of which ended as a result of Section 21 "no fault" evictions). ¹⁷⁶

¹⁷³ London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript
 Southwark Council, Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁷⁶ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables': Initial assessments of statutory homelessness duties owed.

We were told by many respondents that Section 21 "no fault" evictions are a key driver of increased homeless presentations to councils.¹⁷⁷ These evictions may arise when landlords wish to leave the rental market, or wish to change tenant.

In July to September 2023:

March 2024

1,210 London households assessed as owed a homelessness "prevention" duty by their council were threatened with homelessness because of a **Section 21 notice**.

This was an increase of a third from the previous year. 178

Islington Council noted in its response to our survey that evictions in general (not only Section 21 evictions) had increased by 75 per cent over the past 12 months. ¹⁷⁹ Hackney Council told us that: "54 per cent 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 per cent of households were evicted on the grounds of rent arrears/affordability". ¹⁸⁰ Roma Support Group also told the Committee that many of its clients in TA have been the subject of Section 21 evictions from "roque landlords". ¹⁸¹

The Government announced in 2019 that it would ban Section 21 "no fault" evictions, and set this out in the Renters Reform Bill which is currently progressing through Parliament. However, in October 2023, the Government stated that this ban would be postponed until a reform of the courts had taken place. 183

Recommendation 4

The Government should urgently set out a clear timeline for how and when it will deliver its commitment to end Section 21 "no fault" evictions.

¹⁷⁷ Newham Council, Roma Support Group, Capital Letters, London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹⁷⁸ DLUHC, <u>Statutory homelessness in England: July to September 2023</u>, 'Detailed local authority level tables'.

¹⁷⁹ Islington Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023.

¹⁸⁰ Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023.

¹⁸¹ Roma Support Group, London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023.

¹⁸² DLUHC, <u>Tenancy reform: Renters (Reform) Bill</u>, May 2023.

¹⁸³ UK Parliament, <u>Reforming the Private Rented Sector</u>: <u>Government's response to the Committee's Fifth Report of Session 2022-23</u>, October 2023.

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Local Housing Allowance and benefits

Local Housing Allowance (LHA) is set by the Government and determines the amount that can be paid in Housing Benefit and the housing element of Universal Credit, to help people with renting in the private sector (including paying rent for TA).¹⁸⁴

LHA rates are based on local areas.¹⁸⁵ For the purposes of setting LHA rates, London is divided into 14 geographical areas (Central London, Inner North London, etc). LHA rates are generally higher in areas of London and other areas with high market rents.¹⁸⁶

Many respondents described how LHA has not kept up with the cost of renting. According to London Councils, "one in seven London private renters are reliant on LHA to meet their housing costs". However, we heard from several councils and organisations that a freeze in LHA rates since 2020 (which followed a 13 per cent increase in April 2020), has led to a growing shortfall between increasing private sector rents, and the rental amount that LHA can cover. Here

During our investigation, councils, including Islington, stated that there were no private rented properties available in their boroughs below or at LHA rates. Islington Council stated as a result:

"People on average incomes or claiming benefits are unable to rent privately and as a consequence, the council is unable to prevent homelessness." 190

Capital Letters stated that there were only 17 properties available in London for rent at LHA levels.¹⁹¹

We heard that not-for-profit organisations such as Capital Letters can play an important role in helping people to move on from TA. Such agencies can help with finding appropriate properties in the private rented sector at LHA levels, and then with setting up tenancy agreements. Capital Letters described itself as:

"a not-for-profit organisation owned by London boroughs that exists to find affordable housing solutions to reduce family homelessness. It was established with grant funding

¹⁸⁴ Valuation Office Agency, <u>Local Housing Allowance</u>, July 2023.

¹⁸⁵ Valuation Office Agency, <u>Local Housing Allowance (LHA) rates applicable from April 2024 to March 2025</u>, January 2024.

¹⁸⁶ All London areas rank among the top of LHA rates for each category of property. Other areas that rank highly (including more highly than some London areas, depending on category of property), include: Walton, East Thames Valley, Brighton and Hove, South West Herts, Chilterns, Bath, Bristol, High Weald, Guildford and Oxford). ¹⁸⁷ London Councils, 'Raise housing support to prevent 60,000 London renters becoming homeless, say boroughs', November 2023.

¹⁸⁸ House of Commons Library, <u>Local Housing Allowance (LHA): Help with rent for private tenants</u>, 21 December 2023

¹⁸⁹ Enfield Council, Hackney Council, Islington Council, West London Housing Partnership, Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

¹⁹⁰ Islington Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁹¹ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

by the Department for Levelling Up, Housing and Communities (DLUHC) in collaboration with London Councils and has since secured investment to be financially self-sustaining for the future. It procures properties from private landlords for boroughs to use to house families who had been in temporary accommodation or to avoid homelessness. Properties are provided on two-year tenancies, with support to sustain these. It is also entering into leases to manage properties and offer these to member boroughs to increase supply." ¹⁹²

Capital Letters told the Committee that from the start of 2019 to March 2023, the service had "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." 193

However, the undersupply of properties and shortfall between private rents and LHA rates has had a severe impact on the ability of Capital Letters to find accommodation. ¹⁹⁴ Capital Letters told us that as a consequence, it "contracted" its membership in April 2023 down to 10 member boroughs but planned to expand "back up to 19 members by 2028". ¹⁹⁵

"Of 19,800 properties available in London listed for rent on 30 October [2023], there were 17 that were offered at local housing allowance (LHA) rents. We know also that for every property that is listed, it will not go at the rent that it is listed for. There are at least 30 people vying for that property. We have a big issue of supply." ¹⁹⁶

Sue Edmonds, Chief Executive Capital Letters

During our meeting, LHA rates were described by several guests as the issue that would have the biggest immediate impact on the TA crisis.¹⁹⁷ Given this evidence, the Committee welcomes the Government's commitment in the 2023 Autumn Statement to raise LHA rates by 16 per cent to cover the lower 30 per cent of local market rents from April 2024.¹⁹⁸ However, we note that LHA rates are due to be frozen again from 2024 onwards.¹⁹⁹

¹⁹² Capital Letters, in information shared with the Housing Committee in March 2024.

¹⁹³ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁹⁴ Merton Council, Harrow Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁹⁵ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

¹⁹⁶ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript

¹⁹⁷ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript

¹⁹⁸ Department for Work & Pensions, <u>Indicative Local Housing Allowance rates for 2024 to 2025</u>, January 2024.

¹⁹⁹ House of Commons, Local Housing Allowance (LHA): Help with rent for private tenants, December 2023

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The Committee also welcomes the fact that as a result of the uprating, Capital Letters should be better able to procure move-on accommodation for homeless families. Following the announcement, Capital Letters told us that the uprating of LHA rates "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".²⁰⁰

Several guests and organisations also told the Committee that the benefit cap should be increased in tandem with LHA. Sue Edmonds (CEO, Capital Letters) told us: "If you increase LHA rates without commensurate increases in the Benefit Cap, you will put more people at risk for homelessness". ²⁰¹

The benefit cap is the maximum amount that people can receive in benefits, including from the LHA. The West London Housing Partnership stated that the benefit cap amounts to: "£25,323 a year (in 2023) for a family with children in London", which includes housing costs met through benefits.²⁰²

Recommendation 4

The Committee supports the Government's decision to lift the freeze on Local Housing Allowance and increase rates by 16 per cent from April 2024. The Government should ensure that Local Housing Allowance rates are reviewed on a regular basis, so that they continue to cover the lower 30 per cent of local market rents in future years. It should also review the relationship between the Local Housing Allowance and the overall benefit cap.

Incentivising investment in the private rented and affordable housing sector

We also heard that another benefit of uprating LHA is that it may encourage institutional investors to invest in private rented sector housing. Merton Council told the Committee that if LHA "better reflect[ed] the current market [it would] 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." ²⁰³

The Committee heard during separate investigations in December 2023 (financial sustainability of the housing sector)²⁰⁴ and January 2024 (Build to Rent)²⁰⁵, about the opportunity to promote institutional investment in the affordable housing sector and in market rate homes in London.

²⁰⁰ Letter from Capital Letters dated December 2023, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²⁰¹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 2 Transcript</u>
²⁰² West London Housing Partnership, in London Assembly Housing Committee, Call for evidence on Temporary
Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²⁰³ Merton Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²⁰⁴ London Assembly Housing Committee, Financial Sustainability of the Housing Sector, December 2023.

²⁰⁵ London Assembly Housing Committee, <u>Build to Rent</u>, January 2024.

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Rebecca Taylor (Chair, British Property Federation Build to Rent Committee, and Managing Director, Multifamily at Long Harbour Ltd) told the Committee in January 2024:

"2023 was one of the hardest years that we have seen in the sector, but ... it is the first time that I have seen in the last ten years that housebuilders are willing to work with the institutional investors. We ourselves did a deal last year with Berkeley, with the St George group, where we purchased almost 400 homes from them. That conversation would not have been had probably even 12 months before. There is a real opportunity for the BTR [Build to Rent] sector to plug the gap where there was central Government funding to help support and continue that housebuilding." 206

Amy Shaw (Partner, Trowers & Hamlins LLP) told the Committee in December 2023: "There is huge appetite from the institutional investors in investing in the housing sector, particularly in the affordable housing sector, but if we can harness all of that together, that is where there is real opportunity."²⁰⁷

Recommendation 6

The Mayor should incentivise private investment in the supply of private rented accommodation (at the lower end of market rents) and in affordable housing by institutional investors. For example, promoting partnerships between affordable housing providers and institutional investors, and promoting affordable Build to Rent developments.

Accessing private rented tenancies

Lack of supply and affordability in the housing sector are not the only obstacles that prevent people who live in TA from finding appropriate "move-on" accommodation. During our investigation, we heard how Londoners living in TA can face other barriers in accessing private rented properties. Harrow Council stated:

"Harrow has a small social housing stock so for most homeless households PRS [Private Rented Sector] 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." 208

The Committee welcomes provisions in the Renters Reform Bill, which would end blanket bans on renting to people who receive benefits.

²⁰⁶ London Assembly Housing Committee, <u>Build to Rent</u>, January 2024.

²⁰⁷ London Assembly Housing Committee, Financial Sustainability of the Housing Sector, December 2023

²⁰⁸ Harrow Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Chapter three: Improving TA provision

Key findings

March 2024

- The Committee is concerned at the amount London boroughs are having to spend on TA, especially on nightly-let accommodation. Local authorities need to be adequately resourced to handle the TA emergency.
- Landlords need to be supported and incentivised to stay in the lower end of the market, and to let their properties to councils as TA on longer-term lets within a level that is appropriate considering the LHA cap.
- There is an urgent need to improve national standards and regulation around the quality of TA.
- TA inspection services are an important tool for London's local authorities to have oversight of TA and to gather more data on the provision of TA at the pan-London level. The Committee is supportive of the work of the Setting the Standard service. However, the service only covers nightly-let TA. The Committee would welcome this service being expanded to cover other types of TA.
- Londoners living in TA are experts by experience. The procurement of TA, and commissioning of health services, needs to be done alongside vital voluntary and community sector organisations and needs to sensitively and appropriately integrate the voices of Londoners living in TA.

Paying for TA

Local authorities receive funding from the Government to procure TA and to discharge their other homelessness duties. However, throughout our investigation we heard that this funding does not cover the amount of money that councils are having to spend on TA.

In 2022-23, London boroughs spent almost £90 million a month on TA.²⁰⁹

In August 2023, London Councils estimated that London boroughs estimated that the average rates paid for **B&B and hotel accommodation** had "**risen by 98 per cent** over the past year and are 30 per cent higher than self-contained accommodation."²¹⁰

²⁰⁹ DLUHC, <u>Local authority revenue expenditure and financing England: 2022 to 2023 individual local authority data – outturn</u>, Revenue outturn housing services (RO4). Total expenditure for 2022/23 was £1,063,678,000. ²¹⁰ London Councils, <u>One in 50 Londoners are now homeless and living in temporary accommodation</u>, August 2023.

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Households placed in TA must pay rent. Many households living in TA receive Housing Benefit or Universal Credit to support their rent payments, though this does not always cover the full rent payable for TA. Islington Council advises its residents:

"Temporary accommodation can be expensive and the 'benefit cap' may mean that not all your rent is covered by housing benefit."²¹¹

According to Shelter:

"The total amount spent [by local authorities] on temporary accommodation includes DWP funding through Housing Benefit and the housing element of Universal Credit. The DWP sends their percentage of funding to councils to pay for costs, and councils make up the remaining from their own budgets. In addition, many households have to contribute towards their housing costs from their own earnings." ²¹²

The amount councils can claim back from the Government for spending on TA is called the TA subsidy or Housing Benefit subsidy. This subsidy is calculated based on rates set by the Government, which have been frozen since 2011.²¹³ Several councils told us that these rates should be increased to reflect the current market.²¹⁴ Enfield Council told the Committee that: "All councils in London operate homelessness services with a net deficit because of the cap on rental income recoverable through Housing Benefit."²¹⁵

Newham Council said that it has "no choice but to exceed these outdated rates", and therefore is "losing millions of pounds in subsidy loss". ²¹⁶ Councils including Newham and Southwark also stated that they were having to use funds such as the Government's Homelessness Prevention Grant "to cover overspends when that money needs to be used for other areas of business in terms of preventing homelessness". ²¹⁷

²¹³ DWP, Housing Benefit subsidy guidance manual 2022 to 2023, June 2023.

²¹¹ Islington Council, <u>Temporary Accommodation frequently asked questions</u>.

²¹² Shelter, Still Living in Limbo, 2023.

²¹⁴ Hackney Council, Harrow Council, Merton Council, Newham Council, Southwark Council, Tower Hamlets Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²¹⁵ Enfield Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²¹⁶ Newham Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²¹⁷ Newham Council, Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Recommendation 7

The Government must ensure local authorities are adequately resourced to deal with the crisis in Temporary Accommodation. The Government should clarify how it will ensure that the subsidy and grant provided to local authorities reflects the amount that local authorities are required to spend on Temporary Accommodation.

London local authorities are working together to avoid price competition in the TA sector. We were told that through the "Inter-Borough Accommodation Agreement (IBAA) Framework", London local authorities work together to agree prices they will pay private providers for TA, to prevent price escalation and competition.²¹⁸ However, Hackney Council explained:

"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." ²¹⁹

This mechanism does not apply to the Home Office, which procures accommodation in London for people seeking asylum, through contractors such as Clearsprings. Many respondents told us that the Home Office (through Clearsprings) is outbidding London boroughs on the same properties by paying more for them. ²²⁰

Recommendation 8

The Mayor should use his convening role to bring together the Home Office (which procures accommodation in London for people seeking asylum) and London boroughs to collaborate on the procurement of properties, and use consistent standards and pricing.

²¹⁸ Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²¹⁹ Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²²⁰ Southwark Council, Tower Hamlets, West London Housing Partnership, London Councils, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

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Improving standards of TA

The Government states that councils must ensure that TA is "suitable" for the household being placed.²²¹ An assessment of suitability includes:

- Location
- Physical condition the Government states that at a minimum, there must not be any Category 1 hazards ²²²
- Space standards / Overcrowding
- Affordability.

Whether accommodation is suitable or not also depends on whether the household is being placed in TA as an interim measure (e.g. while an assessment or appeal is being made), or under the main homelessness duty.²²³

Throughout our investigation, we heard repeated calls for more effective regulatory oversight of TA, and more effective systems to ensure repairs are carried out.²²⁴ Given the strength of evidence we heard about poor conditions in TA, the Committee does not see the existing approach (i.e. the assessment of suitability set out above) as adequate.

The Committee welcomes the Renters Reform Bill which will bring the Decent Homes Standard to the private rented sector. If passed, the Bill will also require the Secretary of State, within one year of the Bill passing through parliament, to:

"Prepare a report setting out the government's policy on safety and quality standards in relation to supported housing and temporary accommodation. This report must set out how these standards will be developed, overseen and enforced, who is responsible for this, how information about local housing authorities' relevant functions should be shared by or with them, and how the Secretary of State proposes to implement this policy." ²²⁵

²²¹ DLUHC, Homelessness code of guidance for local authorities, <u>Chapter 17: Suitability of accommodation</u>, October 2023.

²²² House of Commons library, Private-rented housing: what are conditions like?, January 2018

²²³ DLUHC, Homelessness code of guidance for local authorities, <u>Chapter 15: Accommodation duties and powers</u>, October 2023.

²²⁴ Islington Council, West London Housing Partnership, London Housing Panel, PEACH, Roma Support Group, in Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf]. And Lucy Holmes (Groundswell) in London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u>.

²²⁵ UK Parliament, Renters (Reform) Bill, Explanatory Notes, 2023

"We have been calling for increased and enforceable regulation of standards within TA properties, and also better access to legal advice. People do not have access to advice that would allow them to push back when they are experiencing poor quality accommodation."²²⁶

Lucy Holmes, Creating Change Director Groundswell

The Committee is supportive of the work of the pan-London service Setting the Standard, whose operational budget is currently funded by boroughs. We would welcome this service being expanded to cover other types of TA, as it currently only covers nightly-let accommodation. The Committee also notes a suggestion from Capital Letters to roll out its service to "inspect other temporary accommodation across London, not just homes procured by Capital Letters". ²²⁷

Recommendation 9

The Mayor should discuss opportunities to expand the Setting the Standard inspection service to cover a wider range of Temporary Accommodation, with Setting the Standard and London Councils. The Mayor should contribute funding to any expansion of this service, seeking external funding where necessary. As part of this expansion, Setting the Standard should gather information on accommodation created using Permitted Development Rights.

PEACH, the London Housing Panel, Inclusion London and the Roma Support Group all told the Committee about problems with reporting repairs, and having them addressed. In addition, during our meeting, Jamie Thunder told us:

"We have heard stories, particularly where a TA is managed by a private landlord, of landlords who appear to be exploiting the system, taking money from the council to fix repairs and either doing a poor job or not doing a job at all. There is an issue about the original condition of properties that are procured for TA but also around ongoing maintenance and the resolution of issues that develop during somebody's time in TA, which, as I think we have all said, can be years." ²²⁸

In their response to our call for evidence, the Roma Support Group said that there should be:

²²⁶ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u> ²²⁷ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²²⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 1 Transcript

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"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." ²²⁹

Recommendation 10

The Mayor should work with London local authorities, Temporary Accommodation providers, voluntary and community sector organisations and Londoners with lived experience of Temporary Accommodation, to produce a Temporary Accommodation landlord's charter. This would ensure landlords are supported and held to account for standards and repairs.

Increasing supply of TA

It is essential that investments are made in London's TA stock, both to ramp up supply and to ensure that Londoners living in TA have access to essential amenities.

Incentivising landlords to stay in the TA market

Given that many landlords are choosing to stop letting their properties as TA, some councils such as Islington and Southwark have taken steps to incentivise landlords to maintain their properties as TA. Southwark Council stated:

"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." ²³⁰

We also heard that some TA providers are converting to a nightly-let basis, which is more profitable, rather than committing to longer-term lets. Hackney Council told the Committee:

"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." ²³¹

²²⁹ Roma Support Group, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²³⁰ Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²³¹ Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

Enfield Council suggested that one approach to incentivise landlords to provide TA, could be "in relation to how tax is paid on such properties to encourage more community minded landlords". During our investigation some of our guests suggested that grant funding should be available to incentivise landlords to do repairs on their property, on condition that they lease the property to the council as TA for a period. ²³³

Recommendation 11

The Mayor should work with London boroughs and landlords to identify opportunities for incentivising private landlords to provide leases to councils, who can use the properties as Temporary Accommodation for homeless households. This is important to reduce the reliance on nightly-let Temporary Accommodation.

Conversions and refurbishment

Some organisations we heard from, including Crisis, Habitat for Humanity, and Capital Letters, stated that there should be more incentives to convert properties to residential units, especially affordable units.²³⁴ Capital Letters recommended that the GLA should "pilot a small affordable-led development of commercial to residential conversions in partnership with local councils and housing associations".²³⁵ Capital Letters emphasised that these conversions would not be the same as Permitted Development Rights properties, and that focus could be put on ensuring that the properties had good standards and amenities.

Other guests we heard from including Josie Parsons (Chief Executive Officer, Local Space) and Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield and Co-Chair of the London Housing Directors' Group) agreed that there was potential to explore such conversions. Joanne Drew said:

"Obviously, quality, and the ability to bring quality forward in a viable way, is critical. But yes, we need as much accommodation as we can so we would not rule out anything done in the right way."²³⁶

Josie Parsons stated that Local Space uses a model in which it "buy[s] back homes that are put up for sale by buy-to-let landlords who are moving out of the market", and refurbishes the

²³² Enfield Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²³³ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 2 Transcript</u>.
²³⁴ Crisis, Capital Letters, Habitat for Humanity, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²³⁵ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²³⁶ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript.

properties for use as TA, sometimes supported by GLA grant funding.²³⁷ She set out this approach, and its positive benefits:

"Local Space is a registered provider of social housing that works in partnership with a number of local authorities to provide them with a more cost-effective alternative to some of the really short-term solutions for TA: nightly let and hotel accommodation. We provide a more settled alternative that costs quite a lot less, at least 20 percent less, often a great deal more than that less." ²³⁸

Recommendation 12

The Mayor should explore ways to increase funding for acquiring and refurbishing existing homes for use as Temporary Accommodation. This should include funding a pilot conversion scheme to deliver affordable homes for Temporary Accommodation using empty local authority buildings (including homes and offices), collaborating with partners including Capital Letters and Local Space. Any conversion of offices should be high quality and learn from the lessons of poor conditions in homes created using Permitted Development Rights.

Building and acquiring TA

During our investigation we considered the potential for local authorities to acquire and/or build their own stock of TA.

In response to our call for evidence, some local authorities called for capital funding from the Government to allow them to purchase and convert properties to TA.²³⁹ Some local authorities emphasised that acquiring their own stock would enable them to provide the type of TA that is most needed. For example, Hackney Council stated:

"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."²⁴⁰

The Committee welcomed confirmation from Kate Webb (Head of Housing Strategy, Housing & Land, GLA) that Affordable Homes Programme funding would now be able to be used to provide TA:

"We have negotiated a change in the memorandum of understanding with the Department of Levelling Up, Housing and Communities (DLUHC), which would allow us

²³⁷ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript.

²³⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript.

²³⁹ Enfield Council, Hackney Council, Southwark Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²⁴⁰ Hackney Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

to fund new build TA in certain circumstances. The crucial thing becomes the rent level. It would need to still be what everyone could fairly consider an affordable rent, and we would generally consider that to be the lower of either the relevant LHA level or 80 percent of the market rent, which I know is still in excess of what a lot of Londoners would call a genuinely affordable rent, but it is an attempt to put some parameters around that. That provision is now there." ²⁴¹

In addition to new-build TA, the Mayor introduced the Council Homes Acquisition Programme (CHAP) in 2023, which he stated: "enables councils, or their dedicated delivery bodies, to purchase properties and convert these homes into social rented housing or temporary accommodation for homeless households." CHAP follows on from the Mayor's Right to Buyback programme, which closed in March 2023. Through this programme, councils were allocated funding to purchase market homes to convert them into affordable housing: "either council homes let at social rent or homes to be let as accommodation for homeless households." The Mayor stated that through this programme, "councils brought over 1,200 private homes into council ownership". 244

Recommendation 13

The Mayor should ensure that the Greater London Authority's quarterly reporting on Affordable Homes Programme funding includes Temporary Accommodation as a separate category for both new-build and acquisitions, so that the supply of Temporary Accommodation can be monitored. This reporting model should begin with the next publication of the quarterly reporting in May 2024.

Enabling private investment in TA

During our investigation we heard from some organisations about the potential to incentivise and enable institutional investors (such as pension funds) to invest in housing.²⁴⁵

Capital Letters told us:

"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.

²⁴¹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, Panel 2 Transcript

²⁴² Mayor's Question, 'Council Homes Acquisition Programme (1)', 21 December 2023.

²⁴³ City Hall, 'Mayor's Right to Buy-back sees 1,500 homes return to council ownership', 9 August 2022.

²⁴⁴ Mayor's Question, 'Council Homes Acquisition Programme (4)', 28 December 2023.

²⁴⁵ Capital Letters, West London Housing Partnership, Merton Council, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

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."

Recommendation 14

In his response to this report, the Mayor should set out his reply to the request from Capital Letters to act as a guarantor for a long-term agreement between Capital Letters and an investor, in order to provide 5,000 homes for homeless Londoners.

Empty homes

During our investigation we heard that bringing empty homes back into use as TA could go some way to meet increasing demand.

As of October 2023:

There are **87,763 empty homes** in London, of which **36,210** have been empty for **over 6 months**.

In two London boroughs, there are **over 2,000 homes** which have been empty for **over 6 months**.²⁴⁷

The GLA's Housing in London 2023 report states that the 89,508 empty homes in London in 2022 represented 2.4 per cent of the capital's overall housing stock. The report states that these are "at relatively low levels, having fallen steadily from a figure of 160,500 empty homes in 1993 (5.4 per cent of the stock at the time)". 248 However, the number of empty homes in London have increased since a low point of 2014. Between 2016 and 2023, they have risen by 51 per cent. 249 The GLA report also states:

"A number of factors appear to be contributing to the growing number of empty homes in recent years, including an increase in the number of homes left empty after the death of their occupant due to delays in probate, and an increase in the number of empty social housing properties." ²⁵⁰

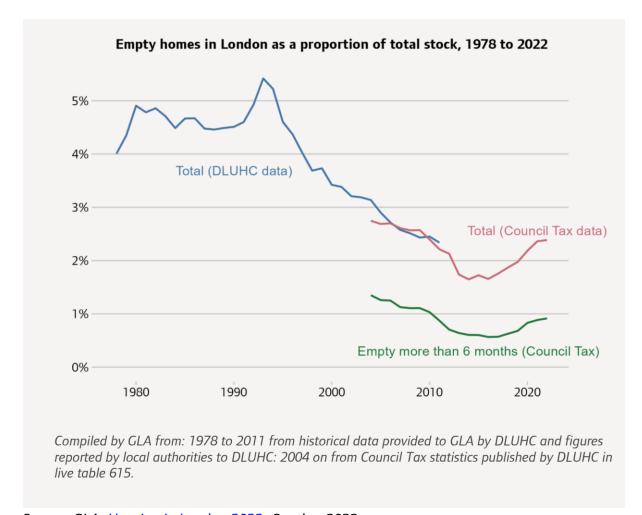
²⁴⁶ Capital Letters, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²⁴⁷ DLUHC, <u>Live tables on dwelling stock</u>, Table 615 Vacant dwellings by local authority district: England, from 2004, published December 2023.

²⁴⁸ GLA, Housing in London 2023, October 2023.

²⁴⁹ DLUHC, <u>Live tables on dwelling stock</u>, Table 615 Vacant dwellings by local authority district: England, from 2004, published December 2023.

²⁵⁰ GLA, Housing in London 2023, October 2023.



Source: GLA, Housing in London 2023, October 2023

We heard from guests such as Dinah Roake (Chair, London Housing Panel) and Sue Edmonds (CEO, Capital Letters) that there is potential for the GLA to provide strategic leadership on the issue of empty homes and how they can be brought back into use. Dinah Roake recommended that the London Housing Panel should be involved in any strategic work done by the GLA around empty homes. Capital Letters stated:

"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."²⁵¹

Capital Letters also referred to work by the Empty Homes Network, which provides resources to member boroughs, and suggested that the GLA could fund all London boroughs to become

²⁵¹ Capital Letters, 'Follow up note' 18.12.23, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

members of the Network.²⁵² We also heard from other organisations, such as Habitat for Humanity, about the importance of using empty homes.²⁵³

It was also suggested by Capital Letters that the GLA could consider using Affordable Homes Programme (AHP) funding to support bringing empty homes back into use. This was done under former Mayor Boris Johnson through a £60m Targeted Funding Stream.²⁵⁴

Assembly Members have asked the Mayor previously about his work on empty homes. The Committee notes that the Mayor has said that he has limited powers in this area:

"While I have limited powers to intervene (with the power lying with the government and London councils), I recognise that, amid a housing emergency, the number of long-term empty homes in London is an important issue. In conjunction with Westminster council, I have called on the government to allow councils themselves to determine the level of council tax to charge on empty homes, the empty homes premium. I also want government to make it easier for councils to use Empty Dwelling Management Orders (restricted since 2012), to temporarily take over empty homes."²⁵⁵

Drawing on the evidence we heard during our investigation, the Committee believes that there is potential for the Mayor to take more strategic action on empty homes.

Recommendation 15

The Mayor should set out a London-wide plan to take action specifically on empty homes. This could involve providing advice, support and funding to boroughs on how to bring empty homes back into use, including by appointing an officer within the Greater London Authority to lead on empty homes. The Mayor should also consider making use of the Affordable Homes Programme to help bring empty homes back into use, working with London boroughs and other partners.

²⁵² Capital Letters, 'Follow up note' 18.12.23, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - responses, October 2023 [opens as pdf].

²⁵³ Habitat for Humanity, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

²⁵⁴ Mayor's Questions, <u>'Empty Homes'</u>, 16 November 2011.

²⁵⁵ Mayor's Questions, Empty Homes (1), 2023/3765, October 2023.

Supporting Londoners living in TA

We heard many suggestions from guests at our meeting and from responses to our call for evidence about ways that people living in TA need to be supported. One major area was around Integrated Care Systems (ICSs), which bring together local health and care organisations. This is particularly important for people living in TA who have to move or be placed out-of-borough.

Lucy Holmes stated that the creation of "inclusion health plans" by ICSs was a real opportunity. Inclusion health is a term used by the NHS focussed on reducing healthcare inequalities, and improving healthcare for groups of people who are socially excluded, including people who experience homelessness. The NHS states that "inclusion health groups … typically experience multiple interacting risk factors for poor health, such as stigma, discrimination, poverty, violence, and complex trauma". The NHS states that ICSs should "develop and deliver integrated plans to improve inclusion health". Lucy Holmes stated:

"The most important thing is the creation of inclusion health plans, and we are seeing some really, really good quality work on that in London and elsewhere We have been doing a big bit of work with the King's Fund and Pathway, two other health-focused organisations, to support ICSs (Integrated Care Systems) to write good quality inclusion health plans. We very strongly encourage them to include people living in TA in those plans." 258

We heard from several organisations the importance of including the voice of Londoners living in TA, in the commissioning and delivery of services.²⁵⁹

Recommendation 16

The Mayor should use his convening powers and responsibilities on health inequalities to ensure that people living in Temporary Accommodation are included in inclusion health plans, which are produced by health authorities to reduce healthcare inequalities and improve healthcare for inclusion health groups (a term used by the NHS to describe people who are socially excluded, including people who experience homelessness). People with lived experience of living in Temporary Accommodation should be involved in the creation of these plans.

²⁵⁶ NHS England, <u>A national framework for NHS – action on inclusion health</u>, October 2023.

²⁵⁷ NHS England, <u>A national framework for NHS – action on inclusion health</u>, October 2023.

²⁵⁸ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 2 Transcript</u>
²⁵⁹ London Assembly Housing Committee, Temporary Accommodation, 15 November 2023, <u>Panel 1 Transcript</u> and London Housing Panel, in London Assembly Housing Committee, Call for evidence on Temporary Accommodation - <u>responses</u>, October 2023 [opens as pdf].

Committee activity

Site Visit

The Housing Committee carried out a site visit to a TA site on 19 September 2023. The Committee joined the Setting the Standard team, which is a pan-London, centralised inspection service for TA in London.

Call for evidence

The Housing Committee ran a public call for evidence in September and October 2023 on the topic of TA. The Committee received 22 responses from:

London local authorities: Voluntary sector, not-for-profits, and

Barnet Homes industry:
Enfield Council Crisis

Hackney Council Habitat for Humanity
Harrow Council Latin American Women Aid
Islington Council London Gypsies and Travellers

Lambeth Council London Housing Panel

London Councils People's Empowerment Alliance for Custom

Merton Council House (PEACH)
Newham Council Roma Support Group
Southwark Council Capital Letters
Tower Hamlets Council Morris & Company

West London Housing Partnership (WLHP)

Westminster City Council

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

Letters from Capital Letters (November and December 2023) Letter from Greater London Authority (December 2023)

The responses to the call for evidence were used to inform the Committee meeting and this report. The full <u>collated responses</u> have been published alongside this report.

Meeting

The Housing Committee meeting on 15 November 2023 heard from the following invited guests:

Panel 1:

- **Kwajo Tweneboa**, Social housing activist
- Jamie Thunder, Policy and Public Affairs Officer, Z2K
- Lucy Holmes, Creating Change Director, Groundswell
- Maria Morgan, Executive Director, Kineara Community Interest Company

Panel 2:

- Kate Webb, Head of Housing Strategy, Housing & Land, GLA
- **Dinah Roake,** Chair,London Housing Panel
- **Joanne Drew,** Director of Housing and Regeneration, LB Enfield, and Co-Chair of the London Housing Directors' Group (LHDG)
- Josie Parsons, CEO, Local Space
- Sue Edmonds, CEO, Capital Letters

Other formats and languages

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Chinese

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Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chi ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا منکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

ال حصول على ملخص ل هذا المستند بل ختك، فرجاء ال التصال برقم ال التصال على العنوان البريدي العادي أو عنوان البريد الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો ક્રોય તો ઉપર આપેલ નંભર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

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The London Assembly

City Hall Kamal Chunchie Way London E16 1ZE

Website: https://www.london.gov.uk/who-we-are/what-london-assembly-does

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