

# Temporary accommodation in London: research findings and policy recommendations

**Shelter**

# Summary

In January 2014 Shelter commissioned Freedom of Information (FOI) requests to investigate whether London councils were increasingly struggling to find affordable temporary accommodation (TA) for homeless families.

The FOI requests found evidence of families:

- Living in insecure, temporary accommodation for long periods of time
- Being placed in temporary accommodation far away from their local area
- Living in temporary accommodation with significant rent shortfalls, as a result of being caught by the benefit cap.

In light of the findings, Shelter is calling on the government to take immediate action to protect families from being placed in unsuitable TA, and to commit to building more affordable homes.

# Introduction

Temporary accommodation (TA) is an essential part of the safety net, used by councils to prevent homeless households, including families, from sleeping rough.

TA has two core functions. It provides immediate relief for households, while councils investigate whether they are legally homeless.<sup>1</sup> It also acts as a stopgap until councils are able to find settled accommodation for homeless households.<sup>2</sup> Local councils are under obligation to place households in TA which meets a range of suitability requirements, which includes being affordable, and as far as reasonably practicable, within their home area.<sup>3</sup>

Worryingly, since 2011 the number of households in TA has steadily increased and recent figures show there are 58,390 households in TA.<sup>4</sup> TA households in London councils account for 74% of all TA in England, reflecting high rates of homelessness and a severe lack of affordable accommodation.

Shelter opposed the inclusion of temporary accommodation in the benefit cap, fearing that this would adversely impact on the ability of councils to make suitable TA placements. In particular we were concerned that the benefit cap would put TA households at risk of eviction because of rent arrears, and further diminish TA supply, which could accelerate the use out of area placements.<sup>5</sup>

London councils are now increasingly using out of borough placements suggesting that they are struggling to procure affordable TA, which may be exacerbated by the benefit cap.<sup>6</sup>

Following the introduction of the benefit cap, Shelter commissioned a Freedom of Information (FOI) request in January 2014 to investigate whether London councils were increasingly struggling to find affordable TA for homeless families.

# FOI results

The FOI request, sent to 33 London councils, asked for data on the following:

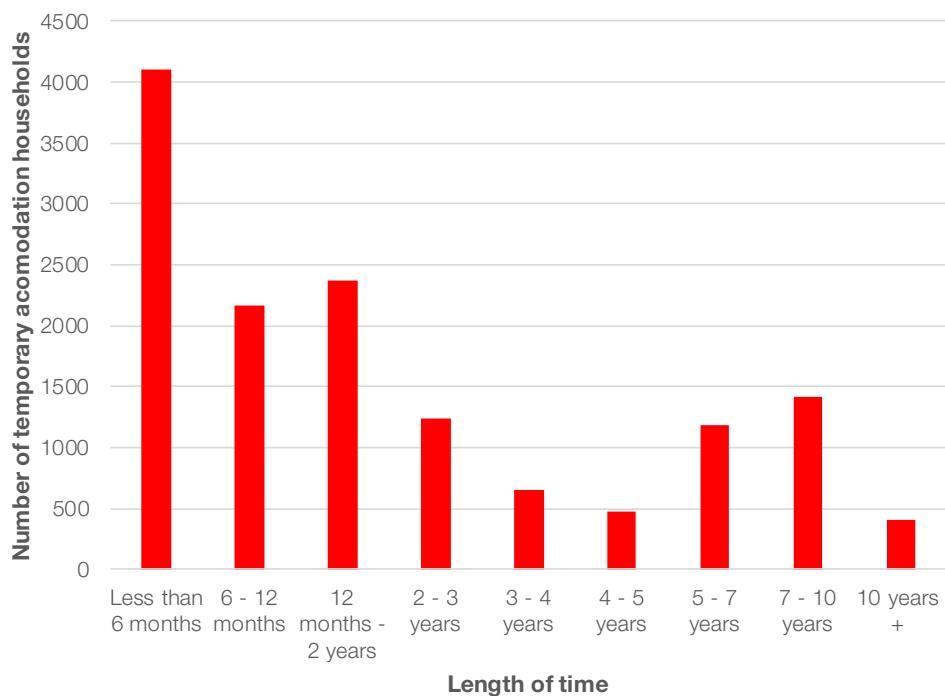
- The number of households in TA, their location and how long they had been in TA
- Whether those TA households were subject to the benefit cap
- And whether those TA households were in receipt of Discretionary Housing Payments (DHPs).<sup>7</sup>

All London councils responded, either partially or in full. For each finding we have listed how many councils responded.

## 1. Length of time households have been in temporary accommodation<sup>8</sup>

Responses show the majority of households (61%) have been in TA for 2 years or less. Just over one in five (21%) have been in TA for 5 years or more. Graph 1 shows the number of households in TA in 17 London councils,

**Graph 1: Length of time in temporary accommodation**



Source: FOI data

**Table 1: length of time households have spent in TA (total TA households and TA households with children in 17 London councils)**

Length of time in temporary accommodation	Total households in TA		Those with children	
	No of households	As % of total	No of households	As % of total
Less than 6 months	4,101	29%	2719	28%
More than 6, less than 12 months	2,170	15%	1440	15%
More than 12 months, less than 2 years	2,375	17%	1689	17%
More than 2 years, less than 5 years	2,360	17%	1701	17%
More than 5 years, less than 10 years	2,598	19%	2072	21%
10 years or more	400	3%	261	3%
Total	14,004		9,882	

Source: FOI data, percentages may not add up to 100 due to rounding

broken down by length of stay. Table 1 shows this for total TA households and TA households with children.

The trend in length of time spent in TA was broadly mirrored across the different councils, with some variation. For example, in Lambeth, 82% of households had been there for less than 2 years and 4% had been there for longer than 5 years. Similarly, in Kensington and Chelsea 67% of households had been there for less than 2 years and 9% had been there longer than 5 years.

In some areas the proportion of households in TA for over 5 years was higher. In Camden, nearly half (48%) of TA households have been in TA for more than 5 years. In Barnet 20% of cases have been in TA for more than 5 years.

The long-term stays in TA indicate that London councils have historically struggled to find settled accommodation for homeless households.<sup>9</sup> The results don't tell us is how many or what type of properties these TA households have been in for the duration of their stay. Though difficult to generalise about the experience of these TA households, long-term TA use is concerning, particularly if the household has to move frequently.<sup>10</sup>

### Case study 1: “There’s no such thing as secure temporary accommodation.”

Whilst in temporary accommodation, Maria has been moved to three properties in under a year. After becoming homeless Maria and her young son were placed in a B&B in greater south London. They stayed there for 3 months before Maria asked Shelter for help to find more suitable temporary accommodation, and was eventually moved into a self-contained flat. However, after 4 months she was told she would be moved into another part of London, miles from her son’s school – she got one week’s notice that she had to move and no explanation.

Maria, mum to Sebastian

The findings also suggest that councils are quicker at moving recent TA cases into settled accommodation. The migration of TA funding to the LHA system in 2011 means councils now bear the cost of TA if it exceeds LHA rates. Some councils may now have a financial incentive to move households out of expensive TA and into cheaper settled accommodation.<sup>11</sup>

When moving TA households on into the private sector, London councils still have to find private rents that fall within LHA rates. Shelter’s Sustain research found that this often meant placing households in the very bottom end of the PRS market, where conditions issues were extensive. This, coupled with the endemic insecurity

within the PRS means the PRS may not always be appropriate for vulnerable households.<sup>12</sup>

## 2. Location of households in temporary accommodation<sup>13</sup>

In the majority of cases TA households placed out of borough were placed in a neighbouring borough. Some households had been sent a considerable distance away - some outside of London, the South East and East of England.

**Table 2: Location of TA placements: 17 London councils**

Location of TA placement	No of households	As % of TA
Within home authority	8,853	63%
Out of borough - in neighbouring authority	3,246	23%
Out of borough - not in a neighbouring authority but in London	1,711	12%
Out of borough - not in a neighbouring authority, not in London, but in South East or East region	97	1%
Outside London, South east and East regions	12	<1%

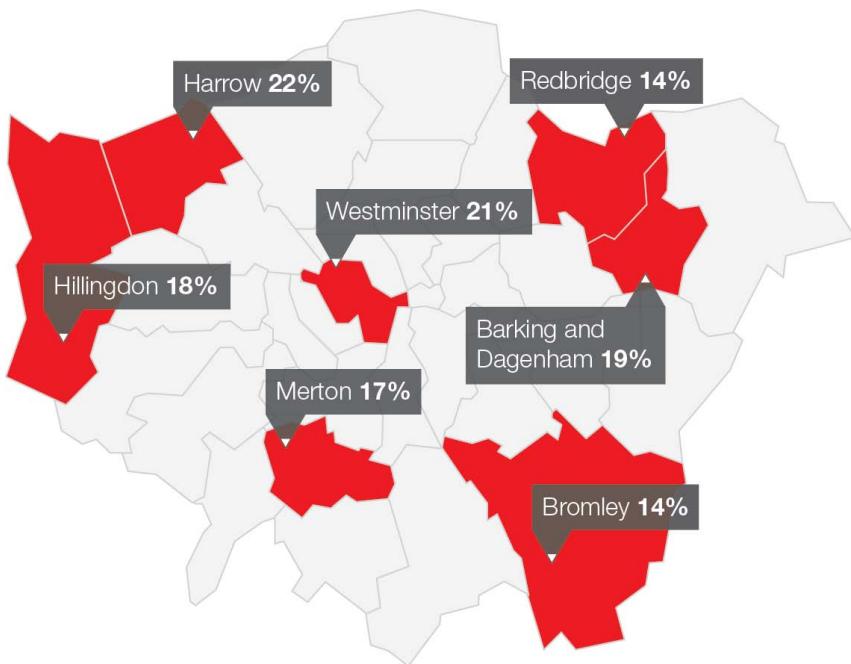
Source: FOI data

As we would expect the data indicates that the majority of households placed in TA out of borough, have been placed in an area with lower average rents:

- The majority of out of borough placements by inner London boroughs were to outer London boroughs.
- The majority of out of borough placements by outer London boroughs were within outer London.
- There were cases of inner London boroughs placing households out of London.
- Enfield and Harrow have made TA placements outside of London, the South East and East of England. The furthest placement was to West Yorkshire.

The FOI results reveal the pressure placed on outer London councils by inner London councils searching for TA placements in areas with cheaper rents.<sup>14</sup> Shelter frontline staff have described that some London councils are having to compete with other councils to procure TA stock in their own area. This pressure may explain the significant increase in out of borough placements by outer London councils.

## Map: London councils with the largest increase in out of borough placements



The evidence we have provides a partial picture on the net gain for an outer London region hosting TA households from inner London.

### Case study 2: Enfield

Enfield had 2139 of their own households in temporary accommodation, 182 of which were placed out of borough. We looked at where 18 London boroughs had placed their TA households, and found 1207 TA households had been placed in Enfield. Haringey alone had placed 627 households in Enfield. Net gain of 1025 households.

NPI analysis of Local Housing Allowance (LHA) cuts and caps in London show demand from housing benefit claimants exceeds supply of private rented accommodation available within LHA rates in outer London. Placing households in TA in these boroughs is likely to necessitate compromising on size or quality of the accommodation if the entire rent is to be covered by the LHA without the help of additional subsidies such as the DHP. Subsequently, it seems likely that continued pressure could lead to increased placements outside London.<sup>15</sup>

Landlords are also likely to be contributing to the limit on available accommodation: previous Shelter research has shown that the majority of private landlords prefer

not to let to tenants in receipt of Housing Benefit.<sup>16</sup> The FOI request found councils sending households out of borough to the same area – for example, a number of councils were sending people to Broxbourne in Hertfordshire. Councils may be sending households to wherever there happens to be a landlord willing to take homeless households. Councils may still need to subsidise government funding to accommodate homeless households, even if they do move them to cheaper areas.<sup>17</sup>

### 3. Homeless households subject to the benefit cap

As of 30th September 2013, responses from 23 councils identified 2065 households subject to the benefit cap in TA. By the time the benefit cap was fully phased in at the end of October, DWP data shows that these same 23 councils had a total of 8893 households subject to the benefit cap. While these figures aren't directly comparable, it suggests that as a conservative estimate, **around one in four households subject to the benefit cap were in TA.**<sup>18</sup>

In some boroughs the proportion of households subject to the benefit cap and in TA are much greater than others. On the whole, inner London boroughs have a far higher proportion of households subject to the benefit cap in TA, compared to outer London boroughs.

What the results don't tell us is whether households were in TA when the benefit cap was introduced, or have moved into TA subsequently.

**Table 3: Households subject to the benefit cap in TA: 23 London councils<sup>19</sup>**

London council	Households subject to the benefit cap	Households subject to the benefit cap in TA	Estimate of households subject to the benefit cap in TA (as %)
Islington	283	167	59%
Westminster	778	421	54%
RBKC	302	148	49%
Tower Hamlets	699	267	38%
Waltham Forest	351	111	32%
Haringey	844	256	30%
Lewisham	368	95	26%
Harrow	323	65	20%
Kingston Upon Thames	118	22	19%
Barking & Dagenham	396	68	17%
Camden	285	42	15%
Enfield	1511	214	14%
Hackney	401	54	13%
Richmond	55	6	11%
Hillingdon	267	28	10%
Croydon	648	55	8%
Wandsworth	180	11	6%
Southwark	421	24	6%
Merton	205	5	2%
Greenwich	156	3	2%
Bexley	181	2	1%
Sutton	114	1	1%
City of London	7	0	0%

Sources: Number of households subject to the benefit cap from DWP statistics October 2013, number in TA from the FOI

What we do know is that households subject to the benefit cap will have a shortfall. Depending on the significance of that shortfall, and whether the council provides additional support (by awarding DHP payments) this could mean the accommodation is no longer affordable, putting households at risk of arrears and eviction.

In 2013/14 the largest financial amount of DHP in London was allocated to households affected by the benefit cap, accounting for 39% of total expenditure.<sup>20</sup> The FOI shows that in part this DHP was spent on homeless households subject to the benefit cap - as at September 2013 £1.9m of DHP money had been spent by 9 councils on households subject to the benefit cap in TA.<sup>21</sup>

**Table 4: DHP spend on households subject to the benefit cap in TA, 9 London councils**

London council	DHP spend on capped TA
Tower Hamlets	£790,114
Haringey	£785,133
Islington	£123,632
Croydon	£114,149
Hackney	£70,141
Wandsworth	£16,409
Merton	£10,952
Hillingdon	£5,331
Greenwich	£1,615
Total	£1,917,476

The patterns of DHP spend varied between councils, reflecting different caseloads but also uneven spending patterns. Where DHP was awarded the full shortfall was not always covered and the length of DHP awards varied considerably. Some homeless households subject to the benefit cap were not in receipt of DHP payments at all.

Our return from councils on this question is particularly low, therefore the true cost to councils of subsidising capped households in TA is likely to be much greater.

### **Case study 3**

In one London Borough with a high number of TA households affected by the cap the amount lost by households ranged from less than £1 to over £300 per week, with an average loss of £66 per week. 67% of the affected households had been granted DHP. The amount of DHP awarded differed extensively between cases (from 18% to 100%). 67% of the households who received DHP were given an amount that covered 100% of the loss due to the benefit cap. The time period for which DHP was granted varied from 1 to 54 weeks. On average, DHP was granted for a period of 23 weeks.

As a result of limited options for moving and uneven DHP payments the FOI data reveals there are homeless households subject to the benefit cap living in accommodation which is no longer affordable. Shelter has heard reports of cases of families in TA being evicted because of rent arrears.

The difficulties in finding affordable accommodation means moving capped households isn't straightforward - DWP statistics provide little evidence to suggest this is happening on a major scale.<sup>22</sup> Families themselves may be reluctant to move if this means moving far away, and may be determined to try and meet shortfalls themselves.<sup>23</sup> Crisis have indicated they are concerned by the prospect of increased "hidden homelessness" as households drop out of the system and live in overcrowded conditions, or sofa-surf instead.<sup>24</sup>

**Recent reports suggest the benefit cap will be tightened further.<sup>25</sup> With DHP budgets currently not guaranteed beyond 2015/16 and the introduction of direct payments to TA households under Universal Credit, councils and homeless households are at best, in a state of the unknown, and at worse facing unmanageable affordability gaps and a rent arrears crisis.<sup>26</sup> We know some councils are looking at how to ease supply problems, working extensively with landlords to pay fair rents, and for example, purchasing their own stock for use as TA, but our concern is that moving households far away into affordable PRS may increase as boroughs continue to face financial pressures and therefore have fewer options available to them.<sup>27</sup>**

# Conclusion

The environment for supporting homeless households is a challenging one: the evidence clearly suggests that as local council policy and practice adapts, 'suitability' considerations are getting increasingly tested and stretched. There is also some evidence that council practice is beginning to diverge and that we are seeing the growth of a 'postcode lottery' within our homelessness system.

## The findings indicate that:

- Councils have historically struggled to move homeless households into settled accommodation. Councils could be finding it easier to move on more recent cases because they can discharge into the private rented sector, or through PRSOs, though this raises suitability concerns.**
- Cheaper neighbouring boroughs are absorbing homeless households from more expensive areas for now. Outer London boroughs are showing signs of strain, and it seems likely if the pressure continues they will have to send homeless households further afield.**
- The benefit cap means there are thousands of homeless households in London in accommodation that is no longer affordable, save for insecure and temporary DHP payments by the council. There are homeless households not in receipt of DHP who are in unaffordable accommodation.**

## Recommendations

If London councils are to have a realistic chance of holding back the trend of sending homeless households far away and placing historic temporary accommodation cases into settled homes more affordable homes will have to be built. The government must commit to a programme of *affordable* house building as a matter of urgency.

In the meantime:

1. The DWP should commit to a full review of affordability in the housing benefit sub-market and to up-rate LHA rates if necessary to ensure that an adequate proportion of the market is available to households on low incomes.
2. DWP must take immediate action and exempt homeless households in TA from the household benefit cap. All TA households should be moved on to automatic managed payments under Universal Credit<sup>28</sup>

Whilst we recognise that London councils are in an increasingly difficult position, there are actions they can take:

3. Councils should use DHPs to support TA households, and offer longer DHP awards to increase the security of TA households affected by the cap.
4. In some cases, PRSO offers to homeless households may be preferable to households waiting in TA long term *if councils take additional action to provide stability and security to homeless households to guard against repeat homelessness*. This means offering homeless households tenancies of a minimum of 2 years, ideally 5 and for the duration of 5 years giving homeless households reasonable preference on the housing waiting list. As a minimum we would expect all homes to meet the Decent Homes Standard.<sup>29</sup>

## Notes

1. If a local council "has reason to believe that an applicant may be homeless, eligible for assistance and have a priority need" then there is an immediate duty on the council to place the household in suitable temporary accommodation whilst they make further inquiries (Section 188, Housing Act 1996)
2. When a local authority has accepted its homelessness duty towards a household they may place the household in temporary accommodation, whilst they find them more settled accommodation.
3. The Homelessness Code of guidance states that ensuring accommodation meets affordability needs includes considering "whether the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials." (Code, para 17.40.)
4. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/321321/Statutory\\_Homelessness\\_1st\\_Quarter\\_\\_Jan\\_-\\_March\\_\\_2014\\_England\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/321321/Statutory_Homelessness_1st_Quarter__Jan_-_March__2014_England_FINAL.pdf)
5. <http://www.parliament.uk/documents/lords-committees/Secondary-Legislation-Scrutiny-Committee/SHELTER-submission-regarding-the-Benefit-Cap.pdf>
6. <http://www.thebureauinvestigates.com/2013/05/19/uk-housing-crisis-costing-taxpayer-2bn/>
7. For each part of the request, Councils were asked to provide a snapshot of data as at 30th September 2013.
8. 17 councils provided a response to this part of the request.
9. Section 193(2) Housing Act 1996: the duty to secure accommodation for people to whom the authority has accepted a housing duty.
10. Households in TA have weaker tenancy rights than households in settled accommodation, and in some cases councils only have to give "reasonable

“notice” which can be as little as one week. It also matters what type of temporary accommodation families are in – it is unlawful for local authorities to keep families in B&B longer than 6 weeks. It may be entirely appropriate for households to stay in TA for a length of time if it means they have a more successful transition into suitable accommodation. However our Nowhere to go briefing illustrated a range of impacts for households, including the disruption to children’s education [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0009/727290/Nowhere\\_to\\_go\\_CHRISTMAS\\_2013.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0009/727290/Nowhere_to_go_CHRISTMAS_2013.pdf)

11. [www.parliament.uk/briefing-papers/sn02110.pdf](http://www.parliament.uk/briefing-papers/sn02110.pdf)
12. [http://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/sustain](http://england.shelter.org.uk/professional_resources/policy_and_research/sustain)
13. 17 councils provided a response to this part of the request.
14. Local authorities legitimately use out of area placements for households in complex circumstances including people fleeing domestic violence, gang-affected young people and families.
15. [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0010/857926/npi\\_report.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0010/857926/npi_report.pdf)
16. Our research has found that half of landlords (49 per cent) have a policy of not letting to people on Local Housing Allowance or Housing Benefit, and a further 18 per cent say they occasionally do, but prefer not to.
17. <http://www.thebureauinvestigates.com/2013/05/19/uk-housing-crisis-costing-taxpayer-2bn/>
18. 23 councils provided a response to this part of the request. The one in four estimate based on FOI data as at 30th September 2013, and DWP statistics from the end of October 2013. October 2013 data is used because DWP data for September was collected between 2/09/13 and 26/09/13, before the benefit cap was fully implemented. <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-october-2013>
19. Proportions based on comparing DWP October 2013 figures with 30th September 2013 FOI data
20. <https://www.gov.uk/government/publications/use-of-discretionary-housing-payments-2013-to-2014>
21. 9 councils provided a response to this part of the request.
22. The only clear indication from DWP statistics that households subject to the benefit cap have moved is the 230 who have changed Local Authority, however it is not clear that the benefit cap is a push factor. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/308526/benefit-cap-march-2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/308526/benefit-cap-march-2014.pdf)
23. An Ipsos Mori survey of households subject to the benefit cap carried out on behalf of DWP found the majority of households did not want to move from

their current accommodation <http://www.ipsos-mori.com/Assets/Docs/Polls/dwp-ipsos-mori-benefit-cap-topline-2014.pdf>

24. [http://www.crisis.org.uk/data/files/publications/HomelessnessMonitorEngland2013\\_ExecSummary.pdf](http://www.crisis.org.uk/data/files/publications/HomelessnessMonitorEngland2013_ExecSummary.pdf)
25. <http://www.bbc.co.uk/news/uk-politics-23325667>
26. [http://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/policy\\_library\\_folder/briefing\\_universal\\_credit\\_and\\_alternative\\_payment\\_arrangements](http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/briefing_universal_credit_and_alternative_payment_arrangements)
27. Ealing, Croydon and Enfield. [http://www.24dash.com/news/housing/2014-02-07-Enfield-Council-set-to-launch-housing-company-to-tackle-temporary-accommodation-crisis#.UvXhf7Q0\\_jl](http://www.24dash.com/news/housing/2014-02-07-Enfield-Council-set-to-launch-housing-company-to-tackle-temporary-accommodation-crisis#.UvXhf7Q0_jl)
28. There is no reliable data on rent arrears and evictions in temporary accommodation which will makes it difficult to monitor the impact of reforms on temporary accommodation.
29. [http://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/policy\\_library\\_folder/briefing\\_using\\_the\\_private\\_rented\\_sector\\_to\\_tackle\\_homelessness](http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/briefing_using_the_private_rented_sector_to_tackle_homelessness)

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