

TEMPORARY ACCOMMODATION AND PRIVATE RENTED SECTOR OFFER PLACEMENT POLICY

Cabinet Member	Councillor Philip Corthorne
Cabinet Portfolio	Social Services, Housing, Health & Wellbeing
Officer Contact(s)	Daniel Kennedy, Residents Services
Papers with report	Appendix One: Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy. Appendix Two: Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy, Equality Impact Assessment

1. HEADLINE INFORMATION

Summary	This report seeks approval for the Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy which sets out the process by which Hillingdon Council will place households in temporary accommodation and private rented accommodation for homelessness prevention and discharge of the Council's main homelessness duty.
Putting our Residents First	This report supports the following Council objectives of: <i>Our People; Strong financial management.</i>
Financial Cost	There are no direct costs involved in adopting the Temporary Accommodation and PRSO Placement Policy. This policy seeks to ensure homeless households or those threatened with homelessness are assisted to access affordable, suitable alternative accommodation in a timely way, ensuring effective use of Council resources.
Relevant Policy Overview Committee	Social Services, Housing and Public Health Policy Overview Committee
Ward(s) affected	All Wards

2. RECOMMENDATION

That the Cabinet approve the Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy set out in Appendix One.

Reasons for recommendation

The London Borough of Hillingdon (Hillingdon Council) has a duty to secure accommodation for some unintentionally homeless households and in some instances to provide interim accommodation while investigations take place. This policy seeks to ensure homeless households or those threatened with homelessness are assisted to access affordable, suitable alternative accommodation in a timely way.

Alternative options considered / risk management

None. There is a need have in place a policy for the placement of homeless and potentially homeless households in accommodation that meets their needs.

Policy Overview Committee comments

None at this stage.

3. INFORMATION

Supporting Information

Homelessness responsibilities to provide accommodation

1. Local authorities in England have a duty to secure accommodation for unintentionally homeless households who fall into a 'priority need' category. The definition for priority need is a household including: a pregnant woman; dependent children; 16 and 17 year olds; 18-20 year old care leavers; those vulnerable for a variety of reasons; and those homeless or threatened with homelessness as a result of an emergency such as flood, fire or other disaster. Hillingdon Council's strategy is, where possible, to prevent households from becoming homeless.
2. Interim duty - If the Council has reason to believe that a homeless applicant has nowhere to stay and is in priority need, then there is an immediate duty to make suitable temporary accommodation available pending further inquiries.
3. Main homelessness duty - Where a person applies to the Council under Part 7, Housing Act 1996 and the Council are satisfied that the applicant is homeless, eligible for assistance, has a priority need and has not become homeless intentionally then, unless the authority refer the application to another housing authority, they are obliged to re-house the household.
4. Applicants can remain in temporary accommodation while they wait for a permanent housing offer.
5. Measures to enable local authorities to discharge their duty towards statutorily homeless households by offering a tenancy in the private rented sector are contained in the Localism Act 2011 and regulations implementing this measure came into force on 9 November 2012.

Homelessness demand

6. The ending of an assured shorthold tenancy is the most common reason for homelessness in England. In the fourth quarter of 2015, this reason was behind 40% of all statutory acceptances. It is also by far the most common reason for homelessness in Hillingdon. Homelessness demand in Hillingdon remains high, with a total of 2,301 households seeking housing advice during 2015/16, of which 1,225 were homeless, in one of the statutory 'priority need' categories, and eligible for assistance. Wherever possible, the need for temporary accommodation is prevented, however 642 formal homelessness applications were made during this period, the majority of which will have, at least initially, been placed in temporary accommodation.
7. Typically 9 households every week in Hillingdon present as homeless requiring accommodation, of which circa 6 families will require emergency housing on the day. There is an increased focus on preventing homelessness, however, it is expected that the need for a steady supply of affordable suitable alternative accommodation will continue.
8. The number of households in emergency bed and breakfast (B&B) accommodation is high, because of the challenge in securing suitable, affordable private rented accommodation for preventing homelessness or for use as either lower cost temporary accommodation or for discharge of the main homelessness duty. An increased supply of affordable suitable private rented accommodation is needed both to prevent placement of families into temporary accommodation in the first place and to support families to move on from emergency B&B. Most of the families in B&B and in temporary accommodation generally, have been accepted as being owed the main homelessness duty and are awaiting rehousing.

Housing Supply

9. Securing affordable private rented housing has become more difficult due to a combination of housing market pressures increasing rents, and changes to the amount of local housing allowance that can be paid. This has resulted in an increasing gap between the rent that the private rental market can command and the amount that can be covered by benefits.
10. Families that are 'benefit capped' are restricted to the upper limit of entitlement across a range of welfare benefits and consequently are unable to claim what would otherwise be their full entitlement to Local Housing Allowance. The benefit cap applies only to working age families not in work and is not applied to working households. This applies to some families in temporary accommodation and is a particular issue for some households with a larger number of household members.
11. Local Housing Allowance is restricted for all households at the levels set by the Broad Rental Market Area (BRMA) and by bedsize. This applies to all claimants and the gap between this level and market rents has become larger in Hillingdon. While the household benefit cap affects a relatively small number of households, the maximum cap on Local Housing Allowance rates applies to all private rented sector tenants in receipt of Local Housing Allowance and consequently has a greater impact on the Council's ability to secure appropriate accommodation. The current maximum Local Housing Allowance that would be payable for a private rented sector property in the south of the Borough is £966 for a 2 bedroom property and £1,050 for a 3 bedroom property. Properties advertised by home.co.uk currently show median rents for 2 bedroom properties in West Drayton at £1,326 and 3 bedroom properties at £1,551.

12. The number of households in temporary accommodation in Hillingdon has remained fairly stable, however the mix has changed with much less lower cost private sector leased accommodation and much more higher cost B&B. As of 7th April 2016, there were 581 households in temporary accommodation, of which 218 were living in higher cost B&B or hostel placements. This compares to 620 households in temporary accommodation 5 years ago, but only 32 in B&B. If no accommodation is available that would be suitable (as affordable) for the household, there is a clear and significant challenge for local authorities in fulfilling their housing obligations. The increasing difficulty in accessing affordable private rented sector accommodation for homeless households, within or close to Local Housing Allowance levels, has led many London boroughs to seek accommodation beyond their geographical boundaries.

Considerations made when making a placement

13. The Localism Act 2011 gives local authorities the flexibility to choose to discharge their duties to homeless households by offering a private rented sector tenancy with a minimum term of at least 12 months, without requiring the applicant's consent.

14. Any private rented sector offer (PRSO) must be suitable and to do so must comply with the Homelessness (Suitability of Accommodation) (England) Order 2012 which consists of two parts. The location requirements of the Order also extend to any accommodation secured under Part VII of the Housing Act 1996 (including temporary accommodation). The first part deals with the suitability of location and the second part is concerned with those circumstances in which accommodation is not to be regarded as suitable for a person for a PRSO.

15. The Supplementary Guidance on the homelessness changes in the Localism Act 2011¹ and on the Homelessness (Suitability of Accommodation) (England) Order 2012 reminds authorities that the discretion to arrange a PRSO is a power, not a duty, and as such, authorities should not seek to rely on the power in all cases, should consider whether to arrange a PRSO based on the individual circumstances of the household and undertake to develop clear policies around its use. Hillingdon Council, as the local housing authority, is required to have regard to this guidance in exercising its functions under Part 7 of the 1996 Act, as amended. The guidance should be read in conjunction with the Homelessness Code of Guidance for Local Authorities issued in July 2006.

16. The suitability of the location for all the members of the household must be considered by the authority and authorities are required, in so far as is reasonably practicable, to secure accommodation within the authority's own district. Where this is not possible the authority is required to take into account the distance of that accommodation from the district of the authority. Where accommodation which is otherwise suitable and affordable is available nearer to the authority's district than the accommodation which it has secured, the accommodation which it has secured is not likely to be suitable unless the authority has a justifiable reason or the applicant has specified a preference.

17. Local authorities are required to take into account the significance of any disruption with specific regard to employment, caring responsibilities or education of the applicant or members of their household. Where possible the authority should seek to retain established

¹ Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (Order) 2012, DCLG, November 2012

links with schools, doctors, social workers and other key services and support. These factors have been taken into account in preparing the policy.

18. The Guidance also makes clear that in determining the suitability of accommodation, affordability must be taken into account. This aspect of suitability must form part of the assessment when considering the location of accommodation. Given the lack of affordable private rented sector accommodation in Hillingdon for households in receipt of benefits, if homeless households are to receive good quality offers in the private rented sector, there is a need to secure accommodation for some households in areas outside Hillingdon. This will also mean that the Council is more likely to be able to give a degree of choice in the accommodation being offered. Suitable and affordable accommodation within Hillingdon is of such scarcity that choice is no longer possible in most instances. If the authority secures accommodation outside of Hillingdon, it will have regard to how far away it is from Hillingdon. Hillingdon Council will try to secure accommodation that is as close as possible to where an applicant was previously living unless there is a justifiable reason for securing accommodation further away, such as the clients' preference.
19. The location of accommodation may be less of an issue for those who are reliant for their income solely on welfare benefits. Where travel to work is not an obstacle, moving to a more affordable area has the potential to realise some positive benefits for the household. During 2015/16, of the 642 households making a formal homelessness application, 59% were reliant entirely on benefits. The Temporary Accommodation and PRSO placement policy takes account of a range of factors in considering the location of accommodation including the significance of disruption to employment, education, caring responsibilities, health considerations and access to transport, shops and other facilities.
20. The second part of the Homelessness (Suitability of Accommodation) (Order) 2012, which is concerned with circumstances in which accommodation is not to be regarded as suitable for a person for a PRSO, sets out requirements under the headings below. These are all addressed in the policy attached at Appendix One.
 - Physical condition of the property
 - Health and safety matters
 - Licensing for Houses in Multiple Occupation
 - Landlord behaviour
 - Elements of good management
 - Tenancy Deposit Scheme

Placements out of Borough

21. The rising cost of accommodation, an increasing gap between market rents and the amount of Local Housing Allowance that can be claimed, and competition for accommodation, make it increasingly difficult to find suitable, affordable accommodation for all homeless families within the Hillingdon Borough boundaries.
22. The Supreme Court² has ruled that while it is lawful for a local authority to provide accommodation outside its own boundaries, there is a statutory duty to accommodate homeless households in-borough "where reasonably practicable" failing which "authorities

² Nzolameso v Westminster

are under a duty to place the household as close as possible to where they were previously living".

23. Local authorities were also advised that a policy should be published explaining how allocations of temporary accommodation were made, including what factors would be taken into account in allocating properties close to home or further away when there was a shortfall of "in-borough" units. The attached policy relates to both placements in temporary accommodation and discharge of the main homelessness duty in the private rented sector and covers both in-borough and out of borough placements.

Temporary Accommodation and PRSO Placement Policy

24. The attached policy relates to both placements in temporary accommodation and discharge of the main homelessness duty in the private rented sector. It establishes the principle that the Council will consider placing some households outside the Borough boundary in temporary accommodation or to discharge the main homelessness duty. The Council is committed to securing good quality stable homes for homeless households and recognises that in some instances this can be better achieved with a placement outside Hillingdon. In implementing arrangements for the practical application of this policy the Council will seek to ensure that households are supported in their move so that disruption i.e to a child's education or a client's health care is minimised. The Council is seeking to have in place agreements with intermediaries that will assist with practical arrangements of this type.
25. The policy sets out priorities for placements within Hillingdon that take account of health, care and educational need, and the length and significance of connection to the Borough.
26. An Equality Impact Assessment for the policy has been completed and is attached at appendix two. This concludes that the benefits of securing suitable, affordable accommodation will, in most cases outweigh any potential adverse impact.
27. Detailed procedure notes will ensure a robust audit trail for decision making regarding temporary accommodation and PRSO placements. These will include affordability assessments to ensure, as far as possible, that placements made are sustainable. A supply and demand model projects forward homelessness demand and supply and compares actual supply and demand against projections on an ongoing basis. This feeds into a projection of future need and procurement options. These issues will be considered separately from this report.

Financial Implications

28. The Council has a budget of nearly £3,900k in 2016/17 for General Fund Housing services and in addition the 2016/17 Development & Risk contingency includes a sum of £2,025k to provide for the Impact of Welfare Reform on Homelessness. As this report notes the overall numbers of households in temporary accommodation has remained relatively stable but the budget is under pressure as housing supply issues - most notably the difficulty in securing private rented accommodation - have necessitated that a greater proportion of the temporary accommodation is in higher cost Bed & Breakfast placements.
29. In attempting to secure private sector tenancies the issue of affordability is already a key consideration for households that have been subject to the benefit cap, and the number subjected to the cap is expected to increase with the further reduction to the cap due be

implemented in the autumn. However, the growing gap between Local Housing Allowance (LHA) rates which determines Housing Benefit levels and market rents has had a wider impact, and has been particularly significant in Hillingdon over the last 12 months given the price increases in the Housing sector. The option to use alternative locations and to discharge the Council's homelessness duty will help to ensure better value for money, and support the reduction in the pressure on the Temporary Accommodation budget, through securing private sector tenancies which would not be sustainable within the Borough.

30. There is a risk that the Council may be challenged in opting to place homeless households out of borough, but the equalities impact assessment and the careful consideration of the suitability order of temporary accommodation when reviewing the circumstances of each individual household will help to mitigate this risk.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

Approval of the Temporary Accommodation and PRSO Placement Policy will enable a wider range of affordable housing options for homeless households to be considered and secured. This will assist in providing sustainable housing solutions which will impact on various aspects of the lives of homeless households including health, education and employment prospects.

A long and significant connection to the Borough of Hillingdon is established as one of the priorities for placements within the Borough, alongside priorities concerned with protecting vulnerable households and taking account of health, care and educational needs.

Consultation Carried Out or Required

This policy has not been subject to external consultation. Internal consultation has included colleagues in Social Care and in Legal Services.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications outlined above, noting that the proposed Temporary Accommodation and Private Rented Sector Offer (PRSO) Placement Policy is intended to ensure that eligible households are assisted to access affordable, suitable alternative accommodation in a timely manner. The broader impact of Temporary Accommodation provision on the Council's financial position is regularly reviewed and reflected in the Medium Term Financial Forecast as appropriate.

Legal

As stated in the report the main difficulty faced by the Council in discharging its duties under Part VII of the Housing Act 1996 (homelessness) is the lack of affordable suitable accommodation within Hillingdon, particularly for applicants who are dependent upon benefits. If the Council were to offer an applicant accommodation which he/she could not afford, the Council would not be discharging its duty and the applicant would, in all probability, subsequently become homeless once again.

Section 208 of the Housing Act 1996 requires the Council "so far as reasonably practicable" to secure accommodation within the Borough. Further, in 2015 the Supreme Court in the case of *Nzolameso v Westminster City Council* held that before making any offer of accommodation a local authority must undertake a careful analysis of a household's needs and seek to "safeguard and promote the welfare of children" pursuant to section 11 of the Children Act 2004, including seeking to minimise any disruption to a child's education. Further, in the event of a legal challenge, the Council must be able to satisfy a court that any accommodation offered to a household is suitable and that if the accommodation is outside Hillingdon, that it has not been possible to source suitable accommodation nearer to the Borough.

The Equalities Impact Assessment (EIA) shows that all applicants may suffer potential detriments if they are required to move to accommodation outside the Borough. The Council will seek to minimise these detriments before making any offer of accommodation.

6. BACKGROUND PAPERS

- [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#)
- [Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#)
- [Homeless Code of Guidance for Local Authorities 2006](#)