

**Report for:** Cabinet 11<sup>th</sup> April 2017

**Title:** The use of permanent council housing stock as temporary accommodation

**Report authorised by:** Lyn Garner, Director of Regeneration, Planning and Development

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**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key Decision

## **1. DESCRIBE THE ISSUE UNDER CONSIDERATION**

- 1.1 This Cabinet report seeks approval to use a small proportion of the council's permanent one bedroom stock as temporary accommodation (TA) on a flexible basis to respond to budgetary and TA placement issues.
- 1.2 The stock used as TA would be increased year on year up to a maximum of 10% of one bedroom properties, or around 500 units. This stock would be made available as temporary accommodation for two bedroom homeless families in accordance with the size criteria set out within the current Temporary Accommodation Placements Policy. This will reduce pressure on two bedroom accommodation out of the borough and provide more options to keep families local.
- 1.3 This policy will mean that there are fewer permanent lets into one bedroom properties. However, the demand for one bedroom units is significantly less than for larger properties, and the more effective use of supported accommodation pathways is reducing the number of homeless singles. Quotas for vulnerable single move on will be protected to ensure Supported Accommodation works appropriately.

## **2. CABINET MEMBER INTRODUCTION**

- 2.1. The rising number of families living in temporary accommodation is often a hidden element of London's housing crisis. However, in Haringey we are determined to make sure that we do all we can to both reduce the number of residents who need to live in temporary accommodation and ensure that those who do are able to live in good quality homes.
- 2.2. The challenge of finding temporary accommodation in the open market means that many homeless households have to be placed outside the borough. This can be very difficult for residents, as it moves people further away from jobs, schools and relatives, but it also challenging for the Council's very stretched housing budget as the out of borough temporary accommodation is often very expensive.
- 2.3. I am therefore proposing that we make use of some of our Council stock for temporary accommodation to create an additional source of homes which can allow more homeless households to remain near their family, schools and workplaces.

### **3. RECOMMENDATIONS**

It is recommended that the CABINET:

- 3.1 Approves the letting of vacant permanent council housing stock to provide TA for homeless households, as set out in the report at paragraphs 6.5-6.8
- 3.2 Notes that the rents for these properties will be set in accordance with the 'Rents and Charges in Temporary Accommodation' paper (subject to the approval of this paper at the Cabinet Member Signing on 3<sup>rd</sup> April 2017) as noted in 6.24.

### **4. REASONS FOR DECISION**

- 4.1 Recommendation 3.1 is proposed in order to:
  - a) Provide an increased supply of TA units, which can be let to households who would otherwise probably have to been housed in expensive private sector TA outside the borough.
  - b) Enable more households in TA to remain closer to their existing communities

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Other options considered include:

The continuation of the current policy of normally using the vacant properties (outside of estate renewal areas) for permanent re-housing.

As set out in the report below, currently around half of all 2 bedroom homeless households are placed in expensive out of borough accommodation. This position is not sustainable financially, and the council seeks to minimise the placement of households away from support networks. Not implementing the proposed policy would forego the opportunity to locate a significant number of two bedroom households within the borough.

### **6. BACKGROUND INFORMATION**

- 6.1. The homelessness situation and the shortage of affordable temporary accommodation in the borough has lead to the council placing around 1,300 households outside the borough. As at 31 December 2016, 560 of these were two bedroom households.
- 6.2. In the light of this situation, this report proposes extending the use of permanent council properties as a source of TA.

Current use of permanent stock as temporary accommodation

- 6.3. The council owns around 5,500 one bedroom tenanted properties. Around 225 of these properties become void each year and are generally used for permanent re-housing, unless the property is within the High Road West estate renewal area.

- 6.4. The council currently uses around 140 properties to provide TA to homeless households, of which around 100 are located on the High Road West (HRW) and have been vacated in advance of the estate renewal regeneration area and awaiting demolition. A further 40 properties are distributed throughout the borough and have been built up over time and new tenancies are charged at formula rent. These properties consist of previously hard-to-let properties and exceptional circumstances.

### Proposal

- 6.5. It is expected that the majority of the properties used will be one bedroom units up to a maximum of 10% of one bedroom properties, or around 500 units. However, there may be exceptional circumstance where this policy may be used for larger properties. In accordance with current temporary accommodation placement policy, the one bedroom properties will be used to accommodate households with a two bed need until they are permanently re-housed.
- 6.6. The policy will result in a reduction in one bed properties available for permanent lets, and this will be managed and reviewed through the Annual Lettings Plan which allocates lets between different housing need groups. It is proposed that there will be no change in the number of lets allocated to quota groups, and that the reduction in lets will be taken from the lets allocated to homeless households.
- 6.7. The selection of properties for use as temporary accommodation will be delegated to the Homes for Haringey Director of Housing Demand. When a household vacates a temporary accommodation property, the Director of Housing Demand will also decide whether to release the property back to general needs or to retain it as temporary accommodation.
- 6.8. The allocation of households to these additional properties will be in accordance with the Temporary Accommodation Placement Policy. It is anticipated that these properties will normally be allocated to newly accepted homeless households who are moving on from stage one emergency accommodation such as hostels, and will be the households initial placement into second stage accommodation.

### **Advantages of proposed policy**

#### Improved local placement for families

- 6.9. As at 31 December 2016, there were 560 two bedroom homeless households who were placed outside the borough, and the use of permanent stock for temporary accommodation will allow the council to place more of these households locally.
- 6.10. Apart from exceptional circumstances, this policy is intended to apply to one bedroom properties. These properties would otherwise be used to discharge homelessness duty to one bedroom households – normally a couple or single person.
- 6.11. The proposal is to provide temporary accommodation for two bedroom households in accordance with the size criteria set out in section 5 of the TA Placements Policy and as is current practice in other temporary accommodation. Section 5 of the TA

Placements Policy specifies (in paragraph 5.3) the households who can be placed in one bedroom accommodation, as follows:

- Lone parents or couples with 1 child over the age of 1 year (no upper age limit)
  - Lone parents or couples with 2 children of the same sex (no upper age limit)
  - Lone parents or couples with 2 children of opposite sexes where both children of opposite sexes where both children are under the age of 10 years.
- 6.12. It is expected that, in practice, the majority of the households placed will be younger families with 1 child below school age. Placements will be prioritised for those who work in the borough or who have other strong connection reasons. Where unemployed, the council will seek to support these households into work.

Generate a small financial saving to the council in respect of the cost of temporary accommodation.

- 6.13. The financial assessment of this policy has been set out in the finance section 8.1 but it estimated that the use of permanent stock as temporary accommodation will lead to a small improvement in the temporary accommodation budget.
- 6.14. Where properties of this sought are located in estate renewal areas it may assist in future estate regeneration reducing the total number of households that require re-housing at the point of decant.

**Disadvantages of proposed policy**

Reduction in the number of homeless households living in temporary accommodation who are permanently housed

- 6.15. Where an element of permanent stock is used for temporary accommodation the number of one bed permanent re-housing will fall correspondingly. This will temporarily increase the numbers of households in TA generally and will therefore be kept in careful balance through regular monitoring by the Head of Housing Demand.
- 6.16. The impact of this policy on numbers of households in TA could be mitigated by increased use of Private Sector Lettings as described in the Equalities Impact Assessment at Appendix A. This mitigation can also be applied to reduce the increase in waiting times described below.

Increased waiting times

- 6.17. The majority of homeless households are in Band B. In 2016/17, the waiting time for Band B applicants awaiting a one bedroom property was 2 years and 2 months, compared with waiting times of 7 years and 11 months for a two bedroom household as shown below.

Banding	1 Bed	2 Beds	3 Beds	4+ Beds	Average
Band A	1y 2m	1y 3m	1y 9m	8y 11m	1y 4m
Band B	2y 2m	7y 11m	11y 4m	12y 3m	7y 1m

<b>Average</b>	<b>1y 8m</b>	<b>7y 3m</b>	<b>8y 8m</b>	<b>11y 11m</b>	<b>5y 4m</b>
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6.18. The number of one bedroom households who are homeless has been falling as vulnerable households are directed via the Supported Housing Pathway. The Pathway programme offers temporary accommodation, and supports vulnerable households in order to avoid homelessness and help them to find new accommodation.

6.19. It is anticipated that 100 permanent properties will be used as temporary accommodation in the first 12 months of this policy being introduced and that this will increase waiting times for one bedroom homeless households in Band B to around 3 years by the end of the first year. The one bedroom waiting time will reduce significantly if the one bedroom temporary accommodation is released back to permanent lets. The flexibility to use the stock in this way provides the Head of Housing Demand with important in borough TA that can be used to house small families.

### Housing Management issues

6.20. The management of temporary accommodation is more difficult than settled accommodation and these issues are likely to be:

- Higher level of turnover and so higher voids and repairs;
- Households may not feel settled in this accommodation and so care for their home in the same way;
- Higher number of children living and playing on the estate than if the units had been permanently let to one bedroom households who would normally be a single person or childless couple.

However, there may also be a reduction in void times if the properties used are 'hard to let'

### Conclusions and Recommendations

6.21. As described in paragraphs 6.9-6.11, the use of permanent stock to provide temporary accommodation will improve the stock of local and inexpensive accommodation for smaller families, and generate a small improvement to the temporary accommodation budget as set out in paragraphs 6.13-6.14.

6.22. Against these benefits, the policy will lead to homelessness numbers not being reduced by permanent lettings as described in paragraphs 6.15-6.16, and an increase in the waiting times for one bedroom households as described in paragraphs 6.17-6.19.

6.23. With around half of all two bedroom homeless households having to be placed outside of the borough, this policy will have significant benefits to these families with a smaller impact on those waiting longer for one bedroom properties. This policy is thus recommended.

6.24. The rent for these properties will be set in accordance with the 'Rents in Temporary Accommodation' paper, subject to this paper being approved at the Cabinet Member Signing on 3 April 2017, namely that the rent is the highest of the following rents;

- 110.99% of formula rent as at 8 July 2015, less 1% of that figure;  
*or (where the property was let as social housing/temporary accommodation as at 8 July 2015)*
- the actual rent charged for the unit as at 8 July 2015, less 1.99%

## **7. CONTRIBUTION TO STRATEGIC OUTCOMES**

7.1. The use of permanent stock as temporary accommodation contributes to the delivery of Objective 2 of the 2017-2022 Housing Strategy, and in particular to;

- Provide suitable and affordable emergency or temporary accommodation when necessary, in accordance with fair and transparent criteria, while overall reducing the number of households in temporary accommodation and the cost of it to the local taxpayer.
- Maximise the supply of affordable high quality temporary accommodation inside the borough boundary and within London.
- Continually assess our own property portfolio and ensure we are taking opportunities to use a wider range of council assets for temporary accommodation, which might involve conversions, acquisitions and temporary use of homes that are empty awaiting redevelopment.

## **8. STATUTORY OFFICERS COMMENTS**

### **8.1 FINANCE**

8.1.1. The report proposes the use of one bedroom general needs properties for temporary accommodation use. It is anticipated that 100 units will be available for TA in the first year.

8.1.2. The Council will initially avoid costs of temporary accommodation for 100 households who will instead be placed in Council accommodation on a non-secure (temporary) tenancy. However, this will be offset by the cost of 100 households remaining in private sector TA who would be able to be housed permanently in these units.

8.1.3. It is likely that this will result in net avoided costs as the stock of affordable one bed units will allow the Council to avoid placing smaller households in larger than required units of TA. These savings are not quantifiable as it is not yet known the size of households that will be placed in these units etc. However if we assume that 50% of the households placed in general needs accommodation would have previously been placed in a larger than required unit and that this allows another household to be placed in appropriately sized accommodation, The saving would be the difference between the rents for the 2 sizes of properties e.g. The difference between the net expenditure on a 1 and a 2 bed TA annex would be on average £1,367, multiplied by 50 households = £68,371 costs avoided in the first year.



8.1.4. The rents for these properties will be based on the formula rents taking into account statutory deductions. There will be some additional costs over and above the costs of using these properties as general needs. This includes the need to provide white goods in these properties at approx £30k for the 100 properties in the first year. In addition it is anticipated that there will be additional void periods at an average cost of £1,500 per property, per void period although there maybe less rent loss as void periods are expected to be shorter. The Housing Revenue Account should not suffer these additional costs as they relate to discharge of the Council's general fund homelessness duties. Officers are working to come up with an arrangement to ensure the additional costs are offset against the general fund savings (avoided costs).

## 8.2 **LEGAL**

8.2.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows.

8.2.2 There are no legal reasons why the Council should not use a proportion of its housing stock as temporary accommodation. There is a specific provision in the Housing Act 1985 Schedule 1 Paragraph 4 that provides for a separate and more restricted security of tenure for tenants housed temporarily under homelessness duty i.e. non secure tenancies. Specifically such tenants are excluded from the rights of secure tenants, such as the Right to Buy or rights of succession, or the right to consultation.

8.2.3 There is Guidance from the Department of Communities and Local Government (DCLG) that states that the Council should not use its own stock as temporary accommodation as a matter of course, but only carefully and in the short term. Short term is not defined. It is important therefore that the Council is clear why and in what circumstances it will use general needs stock as temporary accommodation; and that short term use of this type of accommodation is clear within this overall policy. The policy set out in this report offers the necessary clarity.

8.2.4 Leading Counsel has advised that general needs stock may be used for this purpose, and be accounted for within the Housing Revenue Account.

There are a number of legal issues set out below.

8.2.5 The question arises whether, if an arrangement of a household living in temporary accommodation continues for too long, it might be open to them to claim that the arrangement was not genuinely temporary accommodation and they have become secure tenants. However the Housing Act 1985 Schedule 1, paragraph 4 makes it clear that accommodation provided pursuant to a homelessness duty continues to be granted under a non secure tenancy unless and until the Council notifies the tenant that it is to become a secure tenancy.

8.2.6 Separately, there is also the issue of whether this is "suitable" temporary accommodation. In the short and even medium term, one bed property can be suitable for the households (entitled under the Allocation Policy to two beds) to whom it is envisaged it will be offered. Currently, homeless households in Band B on the Housing Register can wait an average of 7 years 11 months for a 2 bedroom property, and a one bed property would not be suitable for a one child family for that

length of time. Officers will have to be clear at the outset of any such letting as to the length of time that the family will be expected to remain, and to timely review the position.

- 8.2.7 Leading Counsel has advised on limitations on the rents that can be set on these units in the light of provisions in the Welfare Reform and Work Act 2016 (“the Act”) and regulations thereunder directed to reducing social housing rents by 1% per annum beginning with financial year 2016-7, and this is the subject of a separate report to the Cabinet Member for consideration on 3 April 2017.

## **EQUALITY**

- 8.3 In formulating these policies the Council has had regard to its public sector equality duty under the Equality Act 2010, which requires it to have due regard to *the need to*:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - advance equality of opportunity between people who share a ‘protected characteristic’ and people who do not;
  - foster good relations between people who share a relevant ‘protected characteristic’ and people who do not.

The ‘protected characteristics’ are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation. They also cover marriage and civil partnership with regards to eliminating discrimination.

- 8.3.1 The report seeks Cabinet approval for the use of permanent housing to provide temporary accommodation to homeless households. These proposals are needed to increase the council’s ability to place two bedroom households within the borough, and minimise the placements in expensive accommodation outside of the borough.
- 8.3.2 An EqIA has therefore been completed and is attached as Appendix A to this report. Cabinet is asked to consider the equality implications of this decision in order to pay due regard to the mitigating measures proposed and the changes made to the Policy as a result of consultation.
- 8.3.3 The EqIA assesses which protected groups would be affected by longer waiting times for one bedroom households, against the positive impact of local placement for two bedroom households. The EqIA has proposed that the impact on one bedroom households can be mitigated if there are additional permanent placements into private sector tenancies.

## **9. USE OF APPENDICES**

Appendix A– Equalities Impact Assessment

## **10. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**



- a. Minutes of Haringey Cabinet meeting on 9<sup>th</sup> February 2016  
<http://www.minutes.haringey.gov.uk/documents/g7304/Printed%20minutes%2009th-Feb-2016%2018.30%20Cabinet.pdf?T=1>
- b. “*The Council’s Budget for 2016/17*”
  - Report presented to Haringey Cabinet meeting on 9<sup>th</sup> February 2016  
<http://www.minutes.haringey.gov.uk/documents/g7304/Public%20reports%20package%2009th-Feb-2016%2018.30%20Cabinet.pdf?T=10>
- c. Minutes of Haringey Cabinet meeting on 15<sup>th</sup> November 2016  
<http://www.minutes.haringey.gov.uk/documents/g7847/Printed%20minutes%2015th-Nov-2016%2018.30%20Cabinet.pdf?T=1>
- d. “*Agreeing a rent and service charge setting policy for the new shared facility hostel (Broadwater Lodge)*”
  - Report presented to Haringey Cabinet meeting on 15<sup>th</sup> November 2016  
<http://www.minutes.haringey.gov.uk/documents/g7847/Public%20reports%20package%2015th-Nov-2016%2018.30%20Cabinet.pdf?T=10>
- e. Cabinet Member Signing report ‘Rents in Temporary Accommodation’  
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MId=8192&Ver=4>
- f. Temporary Accommodation Placements Policy  
[www.haringey.gov.uk/temporary-accommodation-placements-policy](http://www.haringey.gov.uk/temporary-accommodation-placements-policy)