

**Report for:** Lead Member Signing, 4<sup>th</sup> July 2016

**Item number:** 3

**Title:** Draft Temporary Accommodation Placements Policy

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

**Lead Officers:** Mustafa Ibrahim Head of Housing Commissioning, Investment and Sites

Denise Gandy Director of Housing Demand, Homes for Haringey

**Ward(s) affected:** All

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

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

- 1.1. The purpose of this report is to set out the draft Temporary Accommodation Placements Policy and introduce the housing supply and demand planning framework that the policy responds to. The supply and use of temporary accommodation is a critical factor in responding to demand, in particular homeless households who approach the council in acute housing need.
- 1.2. The council is preparing a detailed assessment of supply and demand for housing in the borough and the current outlook is summarised in appendix 1. It is clear that in order to deal with the continuing demand for temporary accommodation, property will have to be sourced outside the borough boundary. A Temporary Accommodation Placements Policy is required for this.
- 1.3. This report seeks approval to consult on the proposed Temporary Accommodation Placements Policy, in order to assess the impact and prepare a final version of the policy, and the Equalities Impact Assessment. Both the Temporary Accommodation Placements Policy and the wider Housing Supply Plan will be reported back to Cabinet for approval.

## **2. CABINET MEMBER INTRODUCTION**

- 2.1 We are committed to assisting people who approach the council in crisis in acute housing need. This will often mean providing either short term or more settled temporary accommodation, or both, and this is becoming increasingly difficult to do within Haringey. The supply of private rented accommodation in the borough or nearby is inadequate to meet need and in any case the market is leaving many households behind as rents continue to rise beyond what lower income households, including those affected by the benefits cap, can reasonably afford. In these circumstances more affordable accommodation in other locations has to be considered.

- 2.2 We will always prefer to offer accommodation within Haringey or nearby when it is possible to do so and have steadfastly maintained this position, despite the pressures that have prompted a number of other London authorities to place people outside of their boroughs and in some cases outside of London. We have resisted implementing this, recognising that it may be unwelcome for homeless households who have strong links to Haringey and inappropriate for those who may be vulnerable. Reluctantly, we now have to accept that the pressures have reached a point where we can no longer avoid joining the other councils who have taken this step.
- 2.3 In order to best protect and support vulnerable households, the council wishes to prioritise them for accommodation within the borough. This means that some households that are not prioritised to remain will be offered accommodation outside of Haringey, but this will be a last resort. It is therefore important that when we do have to place households outside of Haringey, we do so consistently, fairly and transparently using criteria designed to safeguard the most vulnerable and those with the highest need to stay within Haringey. It is also important that we provide the necessary support to enable households to relocate as easily as possible in these circumstances.
- 2.4 The draft policy and this report set out the sensitive approach we will take to this. It is right that people affected or potentially affected by this policy have the opportunity to provide feedback on the impact of the policy and in particular the support arrangements that will be necessary to mitigate the impact. I welcome the proposed consultation and will listen carefully to residents' views, and those of all consultees, in order that a final policy can take these account before approval and implementation later this year.

### **3. RECOMMENDATIONS**

It is recommended that the Lead Member:

- 3.1 Notes that the council's Housing Supply Plan is being developed in response to current and forthcoming pressures on affordable housing supply in Haringey, as set out in the report and summarised in appendix 1.
- 3.2 Notes the draft Temporary Accommodation Placements Policy set out in appendix 2 and the draft Equalities Impact Assessment that accompanies it, attached as appendix 3.
- 3.3 Authorises consultation with those residents who may be affected by the draft Temporary Accommodation Placements Policy, and with key stakeholders as set out in the report, in order that the policy and the draft Equalities Impact Assessment can be finalised.
- 3.4 Notes the proposed support package for households placed outside London set out in paragraph 6.17, which may be subject to change as a result of consultation, and that specific budget provision for this may be required.

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

- 4.1 There are currently over 8,000 applicants on the housing register and every year around 500 new statutory homelessness duties are accepted by the council. As housing supply is reducing and becoming more expensive, there is a need to take steps to ensure the council can better respond to those who approach the council as homeless and in acute housing need. There is a particular issue with the supply of homes that can be used as temporary accommodation and changes to the sourcing and allocation of temporary accommodation are required to address this.
- 4.2 Where the council has a prima facie responsibility to households presenting in acute housing need it must source suitable affordable accommodation for that household; increasingly this is becoming more difficult to locate inside and close to the borough boundary. A placement policy is therefore required to be applied in the case of placement into temporary accommodation outside of the borough. A decision is required in order that the council can move to adopt this new Temporary Accommodation Placements Policy.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 All feasible options to improve supply and meet demand have been considered and will be further considered as part of the Housing Supply Plan.
- 5.2 The procurement and allocation of temporary accommodation has become increasingly difficult within the Haringey and London market. Alternative options to meet demand are not available to the council within current budget provisions and the allocation of any additional funding would detrimentally affect the provision of other council services.
- 5.3 The council could choose not to adopt a placement policy for temporary accommodation. However, officers must be able to demonstrate a clear rationale, eligibility criteria for suitable placements and consideration of support packages in order to comply with current case law and be clear and transparent about its placement activity.

## **6. BACKGROUND INFORMATION**

### **Strategic Context**

- 6.1 The supply of affordable housing in Haringey is diminishing as a result of a housing market which has made private renting or home ownership unaffordable for the majority of people in housing need, while new home building is not meeting national or local targets. Meeting the demand for affordable housing, whether for use as permanent homes or temporary accommodation (TA), is an increasingly serious problem for the council.
- 6.2 In particular there is a shortage of suitable homes for use as TA. The increasing difficulties with securing suitable TA within the borough were becoming evident in 2013-14. Although an in principle decision was made some two years ago to source properties outside the borough, implementation was deferred due to concerns about the impact on homeless households and in particular on vulnerable people. Instead more focus was placed on managing demand and preventing homelessness, while at least half of London's borough

councils have already adopted a policy for placing people beyond their boundaries, including outside of London. They include:

- Barking & Dagenham
- Barnet
- Brent
- Bromley
- Camden
- Hammersmith & Fulham
- Harrow
- Hounslow
- Kensington & Chelsea
- Lambeth
- Lewisham
- Merton
- Newham
- Redbridge
- Waltham Forest
- Wandsworth
- Westminster

In addition a further five authorities (Croydon, Ealing, Enfield, Islington and Southwark) are currently preparing policies for adoption.

- 6.3 Measures to manage demand in Haringey have been very successful; homelessness preventions have increased significantly, greater emphasis is being placed on conciliation and crisis intervention and on assisting people into alternative accommodation. Incentives are available to landlords to provide private rented accommodation and a new pathway has been implemented to improve provision of supported housing as an alternative to TA.
- 6.4 Despite this commitment to prevention, early intervention and measures to minimise the need for TA, the number of households in TA has been increasing. Residents to whom the council has a statutory duty to accommodate are having to wait longer to be rehoused while the supply of TA for them is diminishing and becoming more expensive. As well as requiring council subsidy, more expensive private rented accommodation is simply unaffordable and increasingly is not providing a settled and sustainable solution for homeless households.
- 6.5 The situation is being exacerbated by legislative and policy changes affecting housing, planning and welfare benefits. Welfare benefits changes in particular have had an adverse impact for many families and the biggest single reason for homelessness acceptances now is eviction from private rented accommodation. The changes made or planned include the benefit cap, a freeze on Local Housing Allowance (LHA, which determines maximum housing benefit levels), restrictions on LHA rates for under 35s, the introduction of the spare room subsidy (“bedroom tax”) and the introduction of Universal Credit, under which housing benefit will be paid to tenants rather than direct to landlords. The cumulative impact of these changes is a reduction of private sector accommodation available for prospective tenants, more evictions from the

private sector and a consequent increase in demand for social housing. This is very serious for those requiring TA, as the council relies on private rented homes for the bulk of its TA supply.

- 6.6 Other provisions in the Housing and Planning Act 2016 will bring pressures to the supply of both new affordable housing, through the new Starter Homes initiative, and existing social rented housing through the introduction of Right to Buy for Housing Association tenants, forced sales of council homes and Pay to Stay. The Pay to Stay provisions may result in tenants exercising their Right to Buy rather than pay higher rents, resulting in a further reduction of council housing stock.
- 6.7 Further changes are expected to the subsidy regime related to the costs of TA, although these details are not yet published and will not come into force until 2017.
- 6.8 In addition, the councils own ambitions for estate renewal (while eventually increasing the overall housing stock in the borough) will in the short term bring some pressures on council housing stock as re-housing requirements are met.
- 6.9 In general, the cumulative impact of these changes, coupled with local housing market conditions, will be to exacerbate the lack of affordable housing in Haringey and impair the ability of the council and its partners to meet the demand for it. In these circumstances the council has little option but to seek to widen the available pool of affordable supply, which means securing affordable accommodation outside the borough.
- 6.10 To inform this, officers are producing an assessment of current and projected housing supply in order to show how demand can be met for permanent and temporary accommodation. This new Housing Supply Plan will cover the full range of supply in the borough, in three broad areas as follows:
- (a) Making the best use of the available social housing stock, council and registered provider (RP), including effective voids control, under-occupation transfers and the take-up of housing association nominations.
  - (b) Increasing the supply of all forms of permanent and/or settled homes for those in need of rehousing, from all sources, including estate renewal/regeneration schemes, council new build, acquisitions, housing association new build/acquisitions, bringing empty homes back into use and initiatives to access the private rented sector.
  - (c) Increasing the supply of homes for use as temporary accommodation, for those awaiting permanent and/or settled homes.

The Supply Plan is one of a number of policies and plans that underpin the Housing Strategy. The TA Placements Policy also forms part of this suite and following consultation will, along with the Supply Plan, be brought to Cabinet for approval later in 2016.

### **Temporary Accommodation Placements Policy**

- 6.11 Haringey has more than 3,000 homeless households currently in TA. After some years of a downward trend on TA numbers, the recent trend has been

upwards. The future projections (summarised in appendix 1) assume that proposed and planned new approaches to TA will be effective in reversing this trend but nevertheless a significant gap between demand and supply remains. In summary there are more people going into TA than are coming out of TA.

- 6.12 Currently first stage TA (i.e. emergency accommodation while a homelessness application is assessed) is predominantly nightly-charged accommodation that has to be spot purchased in response to demand. The placement of these applicants is therefore determined largely by immediate availability. The shortage of second stage accommodation means people are staying in emergency accommodation longer, for significant periods after a homelessness decision has been made. Families in second stage TA (i.e. accepted homeless cases) are waiting longer to be re-housed as the number of permanent homes available to re-let is reducing.
- 6.13 The current approach is to seek to procure accommodation within the borough or close by but we are now in a position where there is insufficient supply and we can only meet our statutory obligation by sourcing suitable TA out of the borough. One of the key tests of suitability is affordability, and affordable rented properties are not available in sufficient numbers within the borough. Inevitably, we will have to increasingly look throughout London and outside of London to source suitable properties that meet the affordability requirement for homeless households.
- 6.14 This position has a serious impact on homeless families. It is apparent that there is a need for the council to change its approach to TA procurement and allocation in order to be in a position to assist residents who approach in acute housing need. In doing so, it is important that we move to a more structured and transparent approach to placing homeless families and determining who should be prioritised for in-borough accommodation and to allocating out-of-borough placements in accordance with robust and transparent criteria. This is what the TA Placements Policy is seeking to do.
- 6.15 The proposed TA Placements Policy is attached (appendix 2). In summary, the policy includes:
- Statutory requirements for both interim (s 188) placements and longer term (s193) placements.
  - The arrangements for temporary accommodation offers and dealing with refusals.
  - Factors to consider in assessing the suitability of accommodation, including size, location, availability of support networks, health factors, proximity to education and employment.
  - Criteria for prioritising placements inside the borough and within neighbouring boroughs.
  - Minimum size criteria for the accommodation offered to different types of household.
  - Criteria for prioritising moves between temporary accommodation.
- 6.16 The criteria for prioritising placements inside the borough and within neighbouring boroughs are particularly significant as households not meeting these criteria could potentially be placed outside London. It is recognised that

such moves may be difficult for homeless families and must be managed very sensitively. Some homeless families will be particularly vulnerable and/or have strong links to Haringey or neighbouring boroughs. The proposed policy takes this into account and specifically, the draft Equalities Impact Assessment (EqIA, attached as appendix 3) assesses the impact of moving households outside London. This is described in section 8 below. The EqIA concludes that a support package for households placed outside London would help mitigate this impact.

6.17 Such a package has been developed and it is envisaged that it will include a range of practical support and assistance, including help with:

- Finding employment
- Identifying and arranging schools
- Child care
- Health e.g. signing up with a local GP
- Council links e.g. Council Tax, electoral register
- Utility connections (i.e. electricity/gas/phone/internet)
- Removals and storage of personal effects
- Obtaining new furniture and white goods
- Financial support to travel back to Haringey to see family and friends
- Identifying links to local support e.g. contact with community, voluntary, faith and other groups

A holistic view will need to be taken to ensure effective resettlement and the range and composition of the final support package and how it is delivered will be a key element of the planned consultation. Resident expectations will need to be carefully managed to ensure that the final package is appropriate, realistic and affordable

6.18 A consultation exercise is planned for those who may be affected by the new policy, including existing TA residents and new applicants. Key stakeholders will be closely involved, both as important consultees and as contributors to the consultation arrangements. This will include the Homelessness Core Group (who are working with the council on developing our homelessness strategy), Shelter and other homelessness/housing advice agencies that have a presence in the borough.

6.19 An eight week consultation is planned. It is important that the communication materials, and the interaction with consultees, are clear and engagement with residents regarding the need for the policy is realistic. A consultation questionnaire and pamphlet/flyer is being produced, setting out a summary of the policy, the criteria for prioritising placements inside/outside Haringey and the proposed mitigation measures, with a link to the full policy on line. This will be available in languages other than English. Consultation documents including an equalities feedback form will be sent to targeted TA residents that may be affected, with a covering letter setting out the reasons for the council's proposal to adopt the policy. In addition, drop in events to consult TA residents face to face will be held and meetings with partner and stakeholder homelessness organisations will be held. Exit interviews are planned with new applicants who

present themselves at Apex House. The consultation documents will also be available in full on the Council's website.

- 6.20 It is envisaged that when adopted the TA Placements Policy will provide a long term framework, however, it will need to be updated periodically. Placements under the final policy will be monitored and reviewed on an annual basis, including equalities monitoring to assess the impact on protected groups, particularly where households have been placed in neighbouring boroughs or outside London. The final policy, together with annual monitoring reports, will be made publicly available and published on the Council's website.
- 6.21 It is recommended that consultation on the TA Placements Policy is approved, to focus on the criteria for prioritising placements inside/outside Haringey and the outline support package set out in the policy. Cabinet should note that the EqIA and the policy itself will be finalised in the light of consultation, along with the arrangements for updating, publishing and monitoring the policy and the necessary budget provision which, at this stage, is envisaged will need to be contained within existing budgets and/or offset by savings in TA costs.

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

- 7.1 Priority 5 of the council's Corporate Plan 2015-18 is to:  
*Create homes and communities where people choose to live and are able to thrive.*

The priority sets out objectives in relation to housing supply, improving the quality of housing, homelessness prevention and supporting residents to lead fulfilling lives.

- 7.2 The Council has published a draft Housing Strategy 2015 – 2020 which seeks to deliver the housing objectives in Haringey's Corporate Plan. The draft Housing Strategy has been subject to two phases of public consultation. A revised draft of the Housing Strategy is being prepared for adoption, that will take account of the consultation responses and the emerging changes in national housing policy. The draft Housing Strategy includes four objectives as follows:
- Achieve a step change in the number of new homes built
  - Improve help for those in housing crisis
  - Drive up the quality of housing for all residents
  - Ensure that housing delivers a clear social dividend
- 7.3 The strategy provides a broad strategic direction for housing in the borough, but delivery of its objectives will be achieved through a range of housing policies and delivery plans. The Supply Plan and Temporary Accommodation Placements Policy discussed in this report are two of these sub-strategies/policies and provide the detail to support achievement of the council's strategic outcomes.

## **8. STATUTORY OFFICERS COMMENTS (CHIEF FINANCE OFFICER (INCLUDING PROCUREMENT), ASSISTANT DIRECTOR OF CORPORATE GOVERNANCE, EQUALITIES)**

## **Chief Finance Officer (including Procurement)**

- 8.1 There has been a steady increase in the number of households in temporary accommodation in recent years as follows:-

Year End	Total Households
31 <sup>st</sup> March 2013	2831
31 <sup>st</sup> March 2014	2869
31 March 2015	3043
31 <sup>st</sup> March 2016	3180

During the same period, the availability of the less expensive stock, Private Sector Leasing has reduced, and placements have had to be made into more expensive nightly rated stock. The average cost per unit per week of Nightly rated stock is approximately £306 per week whereas Private Sector Leasing stock £260 per week giving a saving of £46 per week. The movement is as follows:-

Year End	Nightly Rated units	Private Sector Leasing units
31 <sup>st</sup> March 2013	828	1,290
31 <sup>st</sup> March 2014	1,028	1,219
31 March 2015	1,336	1,145
31 <sup>st</sup> March 2016	1,501	1,083

- 8.2 The opportunity to be able to safely place homelessness tenants in units that can be procured outside of the borough may have significant benefits. In terms of the Benefit Cap, even though the cap is set lower for outside of London, market rents tend to be much lower and are less likely to breach the Benefit Cap. This means that the cost that falls on the council is likely to be much lower in terms of rent arrears. The ability to procure outside of the borough and outside London will also increase supply and reduce the ability of private sector suppliers to demand high rents from the council when other councils are competing for the same limited supply.
- 8.5 It should be noted, however, that it cannot be assumed that all procurement of temporary accommodation outside of the borough will be cheaper for the council. The net cost to the council is the difference between what it pays for procurement and what it recovers in rent in terms of housing benefit subsidy. The level of housing benefit subsidy recoverable is determined by the Local Housing Allowance (LHA) for the area in which the accommodation falls. Generally, LHA levels outside of London are lower than those in Haringey and any future procurement activity should consider not just the rent levels payable to suppliers but also rent levels recoverable.
- 8.6 Paragraph 6.17 outlines various support measures that may be available to households placed outside of London. An estimate of the cost of these measures has not yet been presented and it is not clear whether these will be met from existing budgets or will be an additional cost and offset by the savings generated from the out-of-borough placement.

## **Assistant Director of Corporate Governance**

- 8.7 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows.
- 8.8 Part VII of the Housing Act 1996 (“the Act”) imposes duties on the Council as a local housing authority to secure suitable temporary accommodation for the homeless while investigations are made into their entitlements and, subsequently if certain conditions are met.
- 8.9 The Homelessness (Suitability of Accommodation) (England) Order 2012 (“the 2012 Order”) and the accompanying Supplementary Guidance issued by the Secretary of State, confirms that the location of the accommodation – including, where the accommodation is out of the borough, its distance from the borough - is relevant to suitability of the accommodation secured. The 2012 Order also identifies a series of other matters related to location to which the authority must have regard in considering suitability of accommodation.
- 8.10 By s206 of the Act the council may discharge its housing functions by securing suitable (temporary) accommodation or securing suitable accommodation from another, and imposing a reasonable charge and by s208 of the Act the Council must, so far as practicable, secure temporary accommodation within its district.
- 8.11 The Supreme Court decision in the case of *Nzolameso v Westminster City Council* (“Nzolameso”) reiterates the need for local authorities to have proper regard to its statutory duties under ss206 and 208 of the Act. It emphasises that where “in-borough” accommodation cannot be secured, a local housing authority must secure accommodation as close to the borough as reasonably practicable (which may include considerations of cost to the authority) and be prepared to explain in any individual case why the specific accommodation that was offered was considered suitable having regard to the statutory duties. To this end the Supreme Court gives guidance to local authorities. It acknowledges that authorities will predict likely demand and recommends that:

*“...Ideally, each local authority should have, and keep up to date, a policy for procuring sufficient units of temporary accommodation to meet the anticipated demand during the coming year. That policy should, of course, reflect the authority's statutory obligations under both the 1996 Act and the Children Act 2004...”*

and:

*“...Secondly, each local authority should have, and keep up to date, a policy for allocating those units to individual homeless households. Where there was an anticipated shortfall of “in borough” units, that policy would explain the factors which would be taken into account in offering households those units, the factors which would be taken into account in offering units close to home, and if there was a shortage of such units, the factors which would make it suitable to accommodate a household further away...”*

both policies of course to be democratically approved and publicly available.

- 8.12 The policy at appendix 2 is intended to meet these recommendations and to provide the basis for decision-making as to individual cases.
- 8.13 The Supreme Court in the case of *Moseley v Haringey* has endorsed the following general principles of consultation:
- That consultation must be at a time when proposals are still at a formative stage;
  - That the proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
  - That adequate time must be given for consideration and response; and
  - That the product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 8.14 In short, in order to achieve the necessary degree of fairness, the obligation is to let those who have a potential interest in the subject matter know in clear terms what the proposal is and exactly why it is under positive consideration, telling them enough (which may be a good deal) to enable them to make an intelligent response. The obligation, although it may be quite onerous, goes no further than this.

### **Equality**

- 8.15 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - advance equality of opportunity between people who share those protected characteristics and people who do not;
  - foster good relations between people who share those characteristics and people who do not.
- 8.16 The report seeks Cabinet approval for resident and stakeholder consultation on the proposed Temporary Accommodation Placements Policy attached as appendix 2 to this report. The policy provides guidance on the type and location of accommodation in which households can be placed, including the circumstances in which priority will be given to households for accommodation in the borough or in neighbouring boroughs. Those placed in temporary accommodation are amongst some of the borough's most vulnerable residents, including those that share the protected characteristics.
- 8.17 The Placements Policy criteria aim to ensure that the most vulnerable groups and those likely to be most disadvantaged by placement outside of London – such as those with care needs or households with exam age children – are given priority for in-borough and neighbouring borough placements. However, households that do not meet these criteria may be placed in temporary accommodation outside London. Some protected groups are therefore likely to

be disproportionately affected by the policy. Because lone female parents form a high proportion of the households living in temporary accommodation, it is likely that there will be a disproportionate impact on this group. The EqIA notes that there would be adverse impacts for these households, including isolation from support networks, separation from cultural and religious facilities and disruption in schooling for non exam age children.

- 8.18 Under the policy, placement outside of London would be a measure of last resort. However, in situations where placement out of London is unavoidable (e.g. due to the limited availability of affordable temporary accommodation) a clear package of support will be agreed to mitigate the impact for these households. Homes for Haringey has been commissioned to develop a package of support options, which may include assistance with the placement of children in local schools, assistance in registering with support agencies and subsidised travel back to the borough for set periods. It is intended to consult on the equalities aspects of the draft policy, including possible mitigation measures and support packages. The outcome of the consultation will inform the final package of support to be developed and the EqIA will be updated to reflect this.

## **9. USE OF APPENDICES**

Appendix 1 – Summary of Supply/Demand Projections 2015/30  
Appendix 2 – Draft Temporary Accommodation Placements Policy  
Appendix 3 – Draft Equalities Impact Assessment

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

Background papers:

Draft Housing Strategy 2015/20

Placements Scheme approved by Cabinet in October 2014 as revised by Cabinet Member decision in August 2015