

# Public Document Pack

## Housing Select Committee Supplementary Agenda

Wednesday, 25 May 2016

**7.30 pm,**

Committee Room 3

Civic Suite

Lewisham Town Hall

London SE6 4RU

For more information contact: John Bardens (Tel: 02083149976)

This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

### Part 1

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3. Discharge into the PRS policy	1 - 30

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<b>Housing Select Committee</b>			
<b>Title</b>	Private Rented Sector Discharge Policy		
<b>Key decision</b>	Yes	<b>Item no</b>	3
<b>Wards</b>	All		
<b>Contributors</b>	Executive Director for Customer Services, Head of Law		
<b>Class</b>	Part 1	25 May 2016	

### **Reasons for lateness and urgency**

This report is late due to the need to ensure Housing Select Committee receive the most up to date version of the proposed policy based on the latest advice received by the Council. It is urgent as there is no other occasion for Committee to consider the Private Rented Sector Discharge Policy prior to it being considered by Mayor and Cabinet on 29 June 2016.

### **1 Summary**

- 1.1 Housing Select Committee will be aware of the significant challenge posed by the increase in homelessness in Lewisham and in London more widely. London's population is currently increasing by 50,000 to 60,000 households per year whilst on average 27,000 new homes a year have been built in the city. The number of homeless households in temporary accommodation in London increased from nearly 36,000 in 2011 to over 48,000 in 2015.
- 1.2 In Lewisham, there has been an 89% increase in the number of homeless households in temporary accommodation over the last five years and there are currently over 1,700 homeless households in temporary accommodation. Over the same period, the number of households on the waiting list for social housing has grown from approximately 7,500 to over 9,250. By its nature, temporary accommodation is unsettled, and many households in temporary accommodation have to move to different types of accommodation depending on what is available, causing disruption and uncertainty.
- 1.3 The main aim of the Lewisham Housing Needs service is to find stable, affordable, sustainable accommodation for any household which find themselves homeless and in acute housing need. This report introduces a proposed general policy which will set out how the Council will make Private Rented Sector Offers (PRSOs) in order to bring the duty to secure accommodation owed to homeless households ('the main housing duty') to an end by securing an offer of suitable accommodation in the private rented sector (PRS). The proposed policy is designed to ensure that households with the

highest need for in Borough social housing are prioritised for it, by identifying exceptional circumstances where the Council will not normally seek to secure a PRSO, as set out in section 15.5 of this report.

- 1.4 On 25<sup>th</sup> March 2015, Mayor and Cabinet agreed that officers should use the existing power to discharge the Council's homelessness duty in this way. This change reflected the fact that there is not enough social housing available to meet the need to provide stable accommodation for the number of people in temporary accommodation. Subject to Mayor and Cabinet approval, officers propose to consult on the draft policy attached to the report at Appendix 1, and bring a final policy to Mayor and Cabinet for approval later this year, subject to the outcome of consultation.
- 1.5 The rest of this report sets out the background and the reasons why officers are recommending the proposed policy, as well as explaining the proposed policy in more detail. It also sets out the wider housing context in London and Lewisham, and in particular the issues around affordability and housing supply.

## **2 Policy context**

- 2.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:
  - Ambitious and achieving: where people are inspired and supported to fulfil their potential.
  - Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
  - Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.
- 2.2 The proposed recommendations are also in line with the Council policy priorities:
  - Decent homes for all - Investment in social and affordable housing, improve housing conditions and tackle homelessness
- 2.3 It will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following key objectives:
  - Helping residents at times of severe and urgent housing need
  - Building the homes our residents need
  - Greater security and quality for private renters
  - Promoting health and wellbeing by improving our residents' homes
- 2.4 Lewisham's Housing Strategy also contains the provision to put in place the framework for the Council to use the private rented sector to house homeless

families, so as to increase the supply of properties available to the Council to manage the rising number of homeless households in temporary accommodation.

- 2.5 On 25<sup>th</sup> March 2015, Mayor and Cabinet resolved that officers should use the existing power to discharge the Council's homelessness duty into the private rented sector, pending the development of a policy setting out exclusions, and establishing operating protocols to allow staff to successfully implement the policy. Since March 2015, local pressures regarding supply and affordability of accommodation have become more acute. Furthermore, the Council approved the Location Priority Policy (see next paragraph). Based on these factors and advice taken by the Council, officers are now recommending that the manner in which it is proposed that the PRSO power will be used is considered again.
- 2.6 On 11<sup>th</sup> November 2015, Mayor and Cabinet approved a Location Priority Policy which sets out how the Council will allocate individual homeless households to the supply of temporary accommodation available to the Council, including temporary accommodation located out of the borough. It also approved a Temporary Accommodation Procurement Strategy which sets out how the Council intends to procure sufficient temporary accommodation to meet demand. The Locational Priority Policy was developed to ensure the Council discharged its duty to ensure that so far as is reasonably practicable it secures that accommodation is available for the occupation of the relevant homeless applicant in the Borough, and in light of the Supreme Court decision in *Nzolameso v Westminster CC* [2015] UKSC 22.
- 2.7 The Allocations Policy sets out how the Council will allocate properties to Part VI applicants on the waiting list for social housing. The Allocations Policy is currently under review in order to ensure it makes the best use of the social housing available to the Council. A consultation on the proposed changes is proposed to be carried out over the summer.

### **3 Recommendation**

- 3.1 Housing Select Committee is recommended to:
- 3.2 Note the ongoing challenging housing supply and demand context, and the steps being taken by the Council to manage demand and increase the supply of housing in the borough, including social housing and temporary accommodation.
- 3.3 Note and comment on the proposed policy attached to this report at Appendix 1.
- 3.4 Note that officers intend to consult based on the proposed policy.
- 3.5 Note that a full equality assessment analysis will be undertaken.

- 3.6 Note that the results of the consultation will be brought back to Committee in September before approval is sought from Mayor and Cabinet for an amended Private Sector Offers Policy in light of the outcome of the consultation and equality assessment analysis.

## **4 Background**

- 4.1 Prior to 9<sup>th</sup> November 2012 the principal way in which the main housing duty under s.193(2), Part VII (homelessness), Housing Act 1996 ('HA 1996') ceased was by an offer of social housing (generally either a secure tenancy through the Council or an assured tenancy through a nomination to a Housing Association) under Part VI HA 1996 (allocations). The other ways in which the main housing duty ceased related principally to a change in the applicant's circumstances.
- 4.2 Since 9<sup>th</sup> November 2012, amendments made by the Localism Act 2011 have enabled local authorities to bring the main housing duty to an end by securing a suitable offer of a tenancy in the private rented sector. The key feature of the legislative change is that the main housing duty comes to an end whether or not the applicant accepts the PRSO, i.e. previously if an applicant rejected a PRSO, the main housing duty did not come to an end.
- 4.3 In essence, a PRSO is an offer of an assured shorthold tenancy made by a private landlord to an applicant through arrangements made by the local authority with a private landlord – or with the approval of the authority – and has a minimum 12 month fixed term, and which brings the main housing duty to an end.
- 4.4 An offer of social housing made by the London Borough of Lewisham under Part VI (allocations) – after a tenant's compliance with the terms of any initial introductory period – becomes a secure periodic tenancy, subject to any claim for possession on the grounds prescribed by Housing Act 1985 or, if it is a nomination for an assured tenancy granted by a Housing Association, under the Housing Act 1988 (e.g. breach of condition of tenancy). Sometimes assured tenancies offered by Housing Associations who the Council work with are assured for fixed terms.
- 4.5 By contrast, a PRSO is an assured shorthold tenancy which provides for a fixed period of 12 months after which it will become periodic, and which may be determined (ie. brought to an end) by the landlord on a 'no-fault' basis, by service of a section 21 Housing Act 1988 notice of seeking possession. Therefore, the protections which exist for a social tenancy regarding, for example, the constraints on a landlord's right to recover possession do not apply for a private sector tenant. An offer of social housing is therefore regarded by many as preferable because it is more secure.
- 4.6 The Localism Act also introduced a "re-application duty" which applies where a household has been made a PRSO which then ends within two years of the commencement of the tenancy. The effect of this duty is to deem that the applicant satisfies the priority need criteria for the purposes of their re-application, as explained further below at section 17. Regard also has to be

had to the broader trends in national policy and primary legislation, including in particular the new mandatory fixed term social tenancy introduced by the Housing and Planning Act, in order to end the idea of secure social tenancies being 'homes for life', a concept already introduced by the power to grant 'flexible' tenancies under the Localism Act 2011, further explained at section 9 below.

- 4.7 An offer of social housing under Part VI (allocations) will invariably be in the borough. Given the challenges procuring affordable private rented sector accommodation for homeless households, many PRSOs are likely to be close to or out of Borough, but not in Borough. The Council remains subject to a duty to ensure that so far as is reasonably practicable it shall secure that accommodation is available for the occupation of the relevant homeless applicant in the Borough. In determining whether a PRSO is suitable for a person, the Council must take into account a number of prescribed factors, including in the event an offer is out of Borough, the distance from the Borough and disruption caused by an offer on the employment, caring responsibilities or education of the person or members of the person's household.
- 4.8 On 11<sup>th</sup> November 2015, Mayor and Cabinet approved the Location Priority Policy and Temporary Accommodation Procurement Strategy as described in paragraph 2.6. These policies were necessary as the rising rents in the private rented sector in Lewisham meant that procuring properties within the borough has become increasingly difficult and unsustainably expensive. It is proposed that the Location Priority Policy and the Temporary Accommodation Strategy will also be used to determine how the council procures and allocates Private Rented Sector Offers, and how it will prioritise offers in and closest to the Borough, subject to the overriding requirement that all properties must be suitable and affordable.
- 4.9 The proposed policy is designed to work with the policies referenced above to provide a sustainable framework to make use of the private rented sector, taking into account current and imminent housing pressures. The Council already uses the PRS in a number of ways, including as a source of temporary accommodation. The PRS is also used for homeless prevention, which means a household can avoid having to move into temporary accommodation.
- 4.10 The vast majority of the households that will be considered for a PRSO will be housed in temporary accommodation whilst a more permanent offer of accommodation can be found. Many of these households are likely to have to wait for an extended period in order to receive an offer of social housing. The average waiting time for a homeless household to receive an offer of social housing where they have a two bed need is over 92 weeks, and can be much longer. This means that a family may be in temporary accommodation for many years. By its nature, temporary accommodation is unsettled, and many households in temporary accommodation have to move to different types of accommodation depending on what is available, causing disruption and uncertainty. The suitability requirements for a PRSO (as set out in section 16) mean that the property is likely to be of a higher standard than the temporary accommodation we are able to procure, especially compared to nightly paid

accommodation.

4.11 Under the proposed general policy, the Council will normally seek to bring the main housing duty to an end by arranging a PRSO, subject to the exceptions set out below, and provided that the Council can identify available accommodation which it is satisfied is suitable for the circumstances of the individual household. A PRSO will not normally be offered where there are exceptional circumstances which make a PRSO inappropriate. Such cases may include the following:

- Where a household requires adaptations to meet health and disability related needs which it is not reasonably practicable to achieve in private rented sector accommodation.
- Where a household is unable to manage a tenancy in the private rented sector without a substantial level of tenancy related support.
- Applicants who are receiving treatment for a physical or mental health condition from a specialist hospital unit which cannot be transferred to another NHS service or they are at a critical point in their treatment.
- Children subject to a Child Protection Plan in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to a child's welfare.
- Children subject to an Education Health and Care Plan (EHCP) or a Statement of Special Educational Needs in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to the child's welfare.
- They have a longstanding arrangement to provide essential care to another family member in the London Borough of Lewisham who is not part of the household. Carers must be in receipt of Carer's Allowance.
- Other circumstances which demonstrate an exceptional need which cannot be met outside of the London Borough of Lewisham.

4.12 In the preparation of this report and in the application of the proposed policy, Council officers have had and will have regard to the Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012 ("The 2012 Guidance"), DCLG, November 2012 when seeking to discharge the main housing duty into the private rented sector, in conjunction with the DCLG Homelessness Code of Guidance for Local Authorities issued in July 2006 ("The 2006 Code"). The 2012 Guidance recommends that a local private rented sector offer policy should take account of individual household circumstances, and be developed with regard to prevailing housing demand and supply pressures in the local area in order to support the best use of available housing stock locally. A link to this guidance is provided in paragraph 27.4.

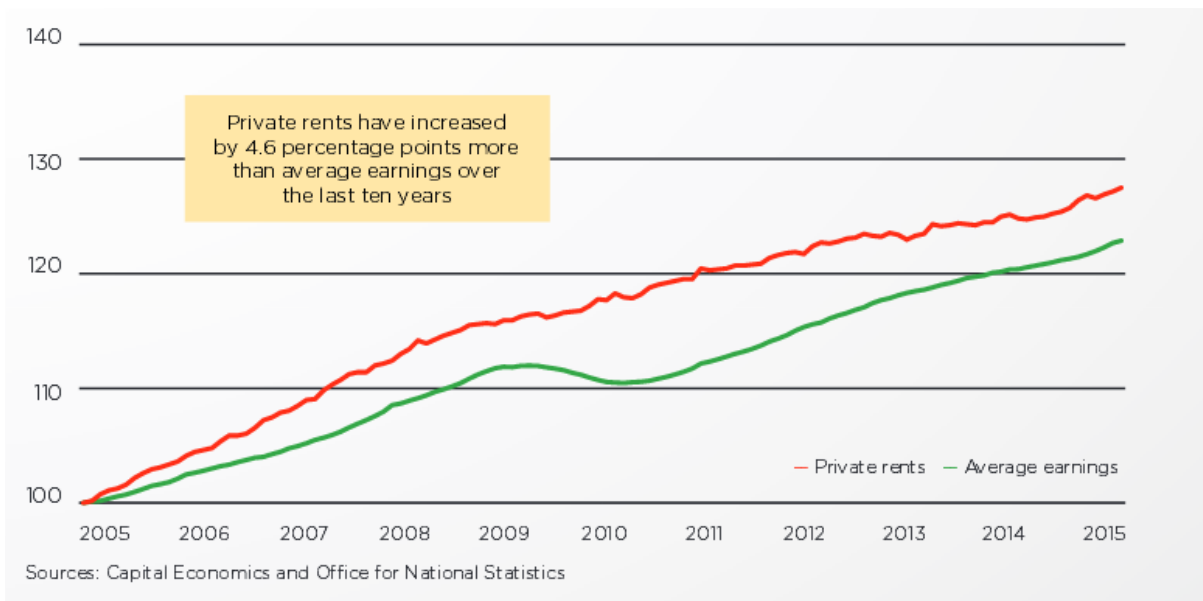


- 4.13 The proposed policy is designed to ensure that households with the highest need for in Borough social housing are prioritised for it, by identifying exceptional circumstances where the Council will not normally seek to secure a PRSO as set out in 4.10 above. The Council will normally seek to end the main housing duty by way of a PRSO for households that do not fall into these criteria.
- 4.14 All PRSOs must be suitable for the individual circumstances of the household. Assessment of suitability includes assessment of affordability. The locational priorities set out in the Council's Location Priority Policy will also be used to determine how households are prioritised for accommodation in terms of proximity to the borough, and the location of those offers will depend on the supply of accommodation available to the Council. However, officers will always try to place households as close to the borough as possible where such properties are available.

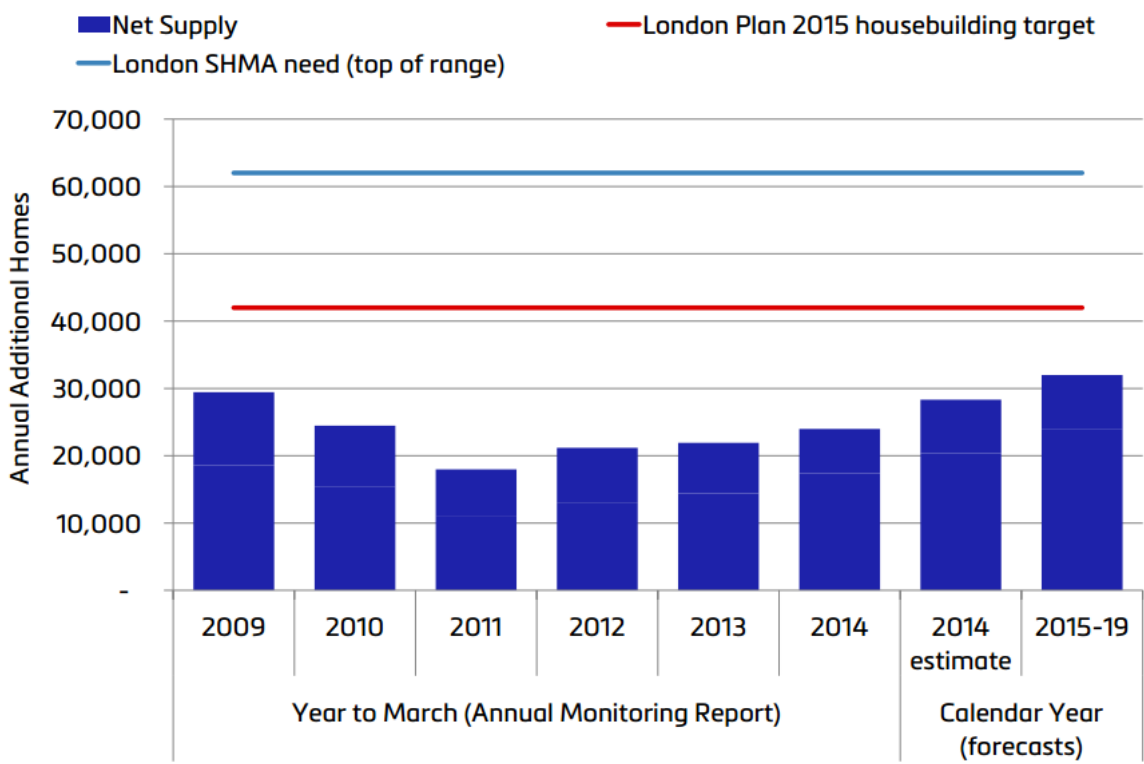
## **5 The London housing context**

- 5.1 The housing situation in Lewisham is part of the wider picture of housing in London. London's housing market is characterised by an enduring undersupply of new homes against a growing population. This has caused house prices to increase significantly – higher than they were before the economic crisis.
- 5.2 London's population is forecast to increase by 1.5 million people by 2030 to a population of 10 million. London is currently growing by 50,000 – 60,000 households a year. This means that London needs 500,000 new homes over the next decade. Currently, an average of 27,000 new homes are delivered each year in London whilst in the last decade 194,000 new homes were built.
- 5.3 The average house price in London is now £530,000, a 13.5% increase in the past year, whilst research by Halifax bank showed that the average deposit of a first time buyer in London is now over £90,000. In 1997, nearly 60% of middle income London households under age 35 were owner occupiers, today, that figure is just 25%.
- 5.4 Rising house prices have caused a significant increase of the private rented sector (PRS). The PRS in London has doubled in the last ten years – and in some boroughs increased by over 200%. It is continuing to grow and is becoming the norm for younger generations of Londoners: 'Generation Rent'.
- 5.5 Market rents are increasing much more quickly than incomes – many tenants pay more than half their net income in rent. The unaffordability of the PRS has contributed to an increase in homelessness; there were over 48,000 London households in temporary accommodation at the end of March 2015. Research by the Centre for Housing Policy at the University of York estimated that in 2014/15 the cost of temporary accommodation for all London boroughs combined was £663m. It is estimated that £170.4m of this was met by the General Funds of London councils.

5.6 The chart below shows how PRS rents have increased more than earnings over the past ten years.



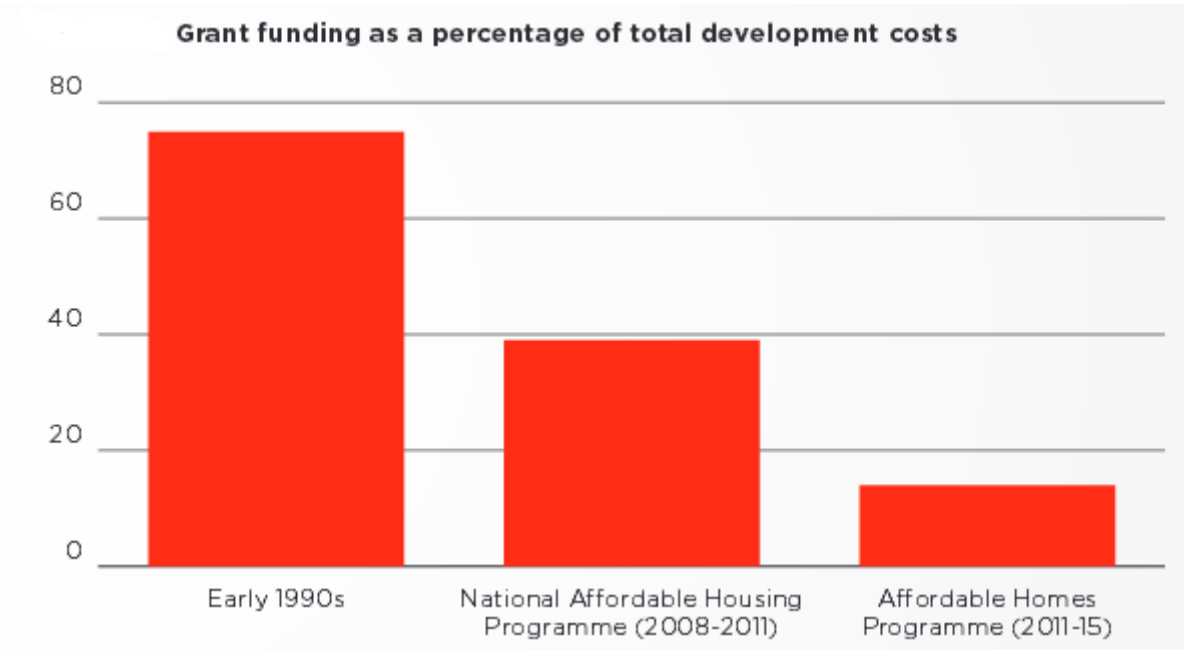
5.7 The chart below shows that whilst the number of additional homes built each year has increased slightly in the past few years, it is still below both the Mayor of London’s targets and below the target set by the London Strategic Housing Market Assessment (SHMA).



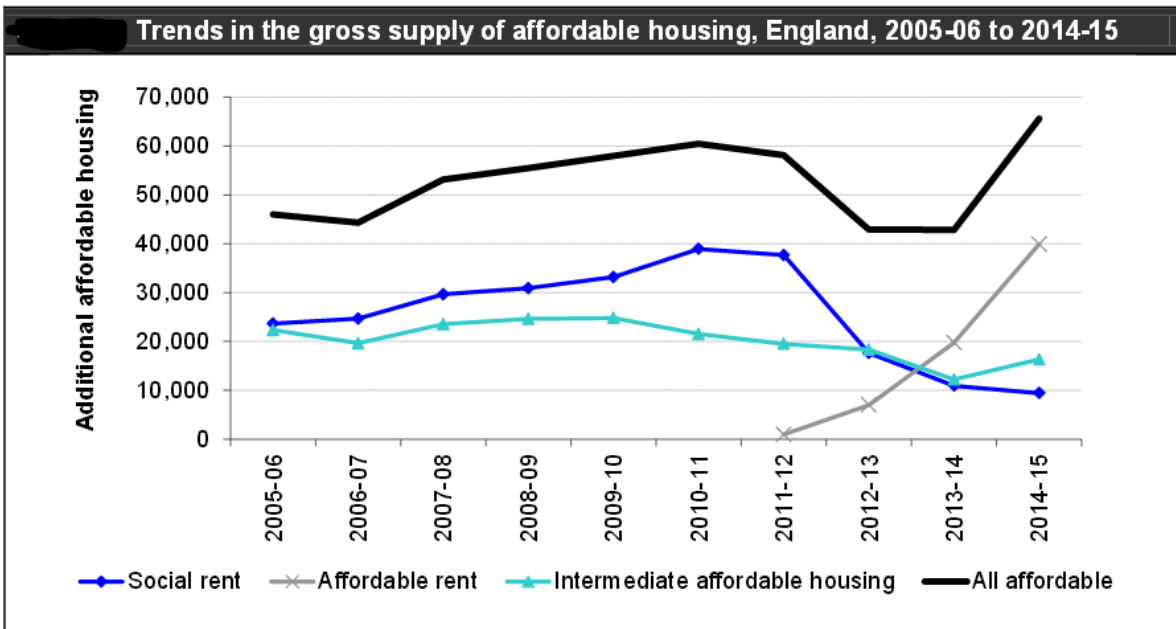
Source: Savills analysis; Molior data; London SHMA

## **6 The supply trend for new affordable homes**

- 6.1 The undersupply of new homes is true of all tenures, but is particularly noticeable for homes for sub market rent. This is particularly significant, as councils have traditionally discharged their housing duty to homeless households through an offer of social housing, as outlined in section four above. The number of properties which became available to the Council to let for social housing has reduced from 1,250 in 2013/14 to 1138 in 2015/16. Officers forecast that this will continue to decrease, as set out in the Annual Lettings Plan which was presented to Mayor and Cabinet on 18 May 2016 and which forecasts that 901 properties will become available to let.
- 6.2 New government policy intends to shift new supply towards home ownership rather than rent. Measures in the Housing and Planning Act are designed to promote Shared Ownership and Starter Homes over homes for affordable rents. The full implications of this Act will not become clear before it is implemented and concurrent regulations are published. The implications are likely to be mixed. It is likely that some of its provisions will further reduce the number of re-lets available because the Council will be compelled to sell a number of vacant properties, whilst more Housing Association properties will be subject to the Right to Buy.
- 6.3 In the short-term, the supply of new build affordable housing in Lewisham is forecast to increase slightly, as the Council's own programme starts to deliver additional new homes in the next two years. In addition, a number of schemes by housing associations which commenced in the last few years are due to complete. The scale of demand for new housing, however, means that this supply will be absorbed quickly and demand will continue to significantly exceed supply. Over the longer-term the supply of new homes for affordable rent is likely to decrease further as the government policies outlined above come into effect.
- 6.4 Traditionally, new affordable housing has been funded through subsidy from national government alongside borrowing by organisations such as housing associations. The level of grant available to fund new homes for affordable rents has reduced significantly. In the 1990s, government subsidy funded around 75 per cent of the cost of developing homes for affordable rent. Subsequent programmes reduced the level of subsidy to less than 40 per cent of the total development cost.
- 6.5 The 2011-2015 affordable homes programme provided only 14 per cent of the cost. This also introduced the concept of 'affordable rents' which could be set at up to 80 per cent of the market rent, however in Lewisham affordable rents have been kept below this to ensure that households on low wages could still afford them. The chart below demonstrates the reducing amount of grant available:



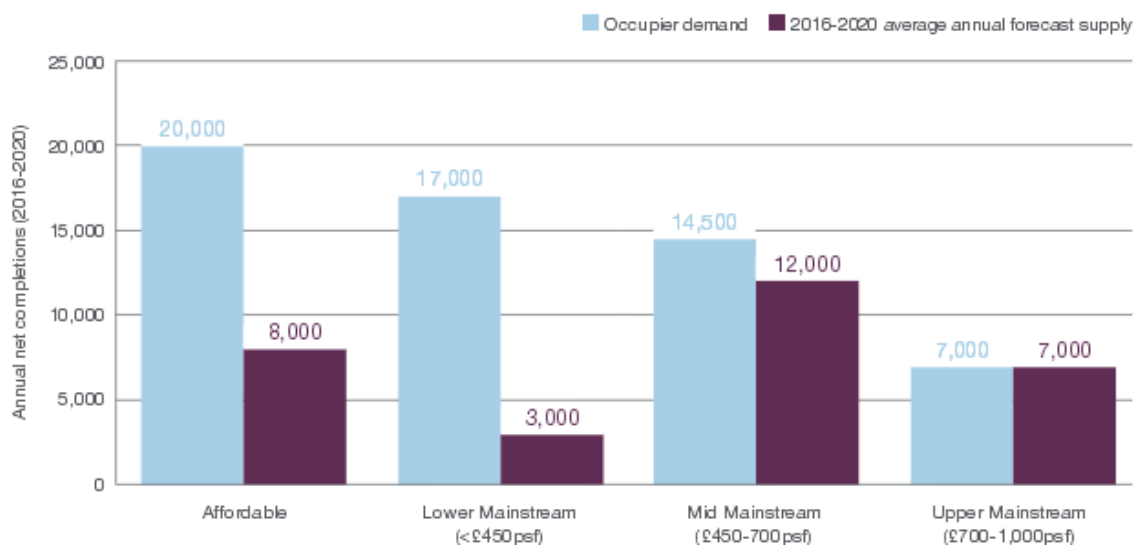
6.6 The changes in the amount of grant available had a significant impact on the tenure of new affordable housing. Whilst there was an increase in the housing for social rent due to the 2008-2011 National Affordable Housing Programme, the 2011-15 programme resulted in a dramatic decrease in the amount of social rented housing completed, as shown in the chart below. There was a concurrent increase in the number of new homes for 'affordable rent'.



Source: DCLG, Affordable Housing Supply: April 2014 to March 2015 England

6.7 The property research company Savills has analysed the demand for types of housing against the supply it expects over the next four years. The chart below shows that whilst there is demand for 20,000 new affordable homes only 8,000 are expected to be built.

## London supply and demand by price band



Source: Savills Research

## 7 Housing supply in Lewisham

- 7.1 Lewisham has a target for new homes of all tenures of 1,105 per year. Lewisham has regularly exceeded this annual target, and in the past decade exceeded the target by 2,765 homes in total.
- 7.2 In this Mayoral administration up to 2018, 6,100 homes will be built of all tenures. The vast majority of these will be built by private developers or housing associations. Around one third of these homes will be affordable, including affordable rent and shared ownership. However due to government policies, not all these affordable homes will be suitable for households on lower incomes.
- 7.3 The Council's own programme will deliver 650 new homes of which 500 will be for social rent (80%). The wider Council-led programme including regeneration schemes will deliver nearly 1100 homes which will include homes for social rent, market rent and sale. This means that the Council itself will deliver over 1,700 new homes to help meet demand in the borough, though many of the new homes for social rent will be allocated to households who has been temporarily moved off the estates to facilitate the regeneration.

## 8 Affordability and the impact of Welfare Reform

- 8.1 There has also been significant change in national housing and social policy which has had a major impact on the affordability of housing in the borough. At least 83% of households currently in temporary accommodation are in receipt of some Housing Benefit, although not all of those households will be in receipt of full housing benefit.

8.2 In the July 2015 budget, the Local Housing Allowance (LHA) – which is the maximum amount of housing benefit which can be claimed in the private rented sector – was frozen until 2020. This means that more and more properties in the PRS will be unaffordable to households which rely on housing benefit, as rents in Lewisham are forecast to continue to rise but LHA rates remain frozen. The table below demonstrates that market rents in the 30<sup>th</sup> percentile are above the LHA for all property sizes for both the LHA rates which apply in the borough. This means that properties in the borough let at the lowest rents are still above the relevant LHA rate.

Lewisham		1 Bed	2 Bed	3 Bed	4 Bed
Inner South East London	LHA Rate	204.08	265.29	330.72	417.02
	30th Percentile Rent	235	309.15	373.28	483.75
Outer South East London	LHA Rate	161.02	198.11	242.4	312.77
	30th Percentile Rent	178.36	224.38	276.16	345.21

8.3 The Centre for Regional Economic and Social Research at Sheffield Hallam University carried out research on the impact of recent and planned welfare reforms. Based on this report a breakdown of the impacts for Lewisham is summarised below. It should be noted that all figures relating to impacts are estimates modelled to a local level through labour market profiling and benefits statistics returns, rather than actual observed financial losses, and that they have been produced through externally commissioned reporting.

8.4 The programme of welfare reforms implemented by the Coalition Government amounted to an estimated average loss of £470 per year for every working age adult in Lewisham. This loss is above the London (£410) and the national (£360) average. The changes to the Local Housing Allowance for Housing Benefit claimants have had the second largest impact per head of all the welfare reforms, at £105 per year, affecting 10,200 households.

8.5 Based on welfare reforms planned for this current parliament, the Benefit Freeze is expected to have the largest impact, affecting 43,000 households with an average loss of £121 per year per working age adult.

8.6 The total estimated financial impacts over the 2010-2020/21 period amount to £820 per working age adult per year in Lewisham, which is the eighth highest level out of thirty-two London boroughs. The London boroughs most affected by financial losses are the most deprived boroughs in the capital, whilst those least affected are the least deprived (DCLG, 2015 Indices of Multiple Deprivation.)

8.7 In Lewisham, rents in the private rented sector have become more and more unaffordable. As of March 2016 the median weekly rent for a two-bedroom property in Lewisham was around £300, significantly above the Local Housing Allowance (LHA) rate of £ 265 per week in most of the borough. This represents an increase of over 30% on the median monthly rent for a two-bedroom property in 2010/11. The table below outlines the weekly cost and income required for various types of tenure based on the most recent government statistics.

Tenure	Weekly Cost	Annual Net Income required	Estimated gross income required
Social rent	£86	£12,777	£15,077
Affordable rent	£195	£28,971	£34,186
<b>Median salary in Lewisham</b>	<b>£31,512</b>		
Intermediate rent	£240	£35,657	£43,858
Shared ownership (25%)	£243	£36,103	£44,608
Shared ownership (50%)	£299	£44,423	£56,861
Median market rent	£300	£44,572	£57,052
Outright ownership (Resale)	£379	£56,309	£73,765
Starter Homes	£384+	£57,000+	£75,000+
Outright ownership (New Build)	£437	£64,926	£86,352

7.10 There has been a tangible decrease in the number of properties advertised as available for rent at LHA level in the borough. Between November 2015 and March 2016 the number of 2 bedroom properties advertised online at LHA level decreased from 18 to 7.

## 9 Further changes in housing policy

9.1 Since the general election in May 2015, a large number of policy changes have been announced by the Conservative government.

9.2 The Welfare Reform and Work Act has now received Royal Assent. This Act reduced social rents by one per cent for four years from April 2016. This will substantially reduce the amount of rental income the council receives and reduce the capacity to build new homes for social rent beyond the current programme. It was also announced in the Budget of July 2015 that the benefit cap will be reduced from £26,000 per year to £23,000 in London which is expected to come into force from the autumn.

9.3 The Housing and Planning Act received Royal Assent on 12 May. It contains the following measures:

- The voluntary Right to Buy for Housing Associations;
- Councils to be compelled to sell high value properties which fall vacant policy;
- 'Pay to Stay' – households in social housing having to pay up to market rents if they earn more than £40k;
- Starter Homes introduced as a type of affordable housing;
- Planning changes;
- An end to indefinite 'secure' tenancies 'for life' to be replaced by fixed-term tenancies.

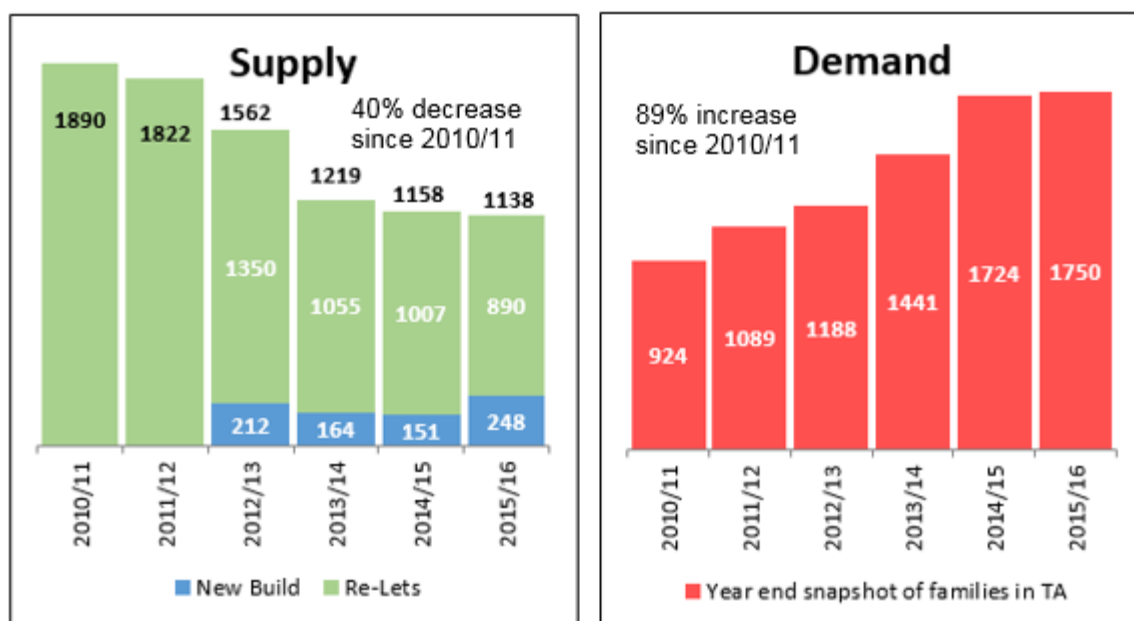
9.4 The supply-side measures in the Act are primarily focused on speeding up the planning system with the aim of delivering more housing. There is also a clear

focus on home ownership, with measures to facilitate the building of Starter Homes; self/custom build housing; and the extension of the Right to Buy to housing association tenants following a voluntary agreement with the National Housing Federation (NHF). Officers anticipate that the policies will further reduce the number of re-lets available as the Council will be compelled to sell a number of vacant properties, whilst more Housing Association properties will be subject to the Right to Buy.

- 9.5 During the final day of consideration in Public Bill Committee, the Government amended the Housing and Planning Bill to make the offer of a fixed-term tenancy mandatory for local authorities, with some limited exceptions. At that point it was proposed that the maximum fixed-term would be 5 years. The latest amendments mean that Local Authorities would be able to offer a minimum term of 10 years in certain exceptional circumstances. The previous Coalition Government legislated (Localism Act 2011) to give social landlords discretion to offer flexible tenancies with a minimum fixed- term of at least two years. This was not adopted by the Council, but measures in the Housing and Planning Act intend to make this mandatory.

## 10 Homelessness in Lewisham

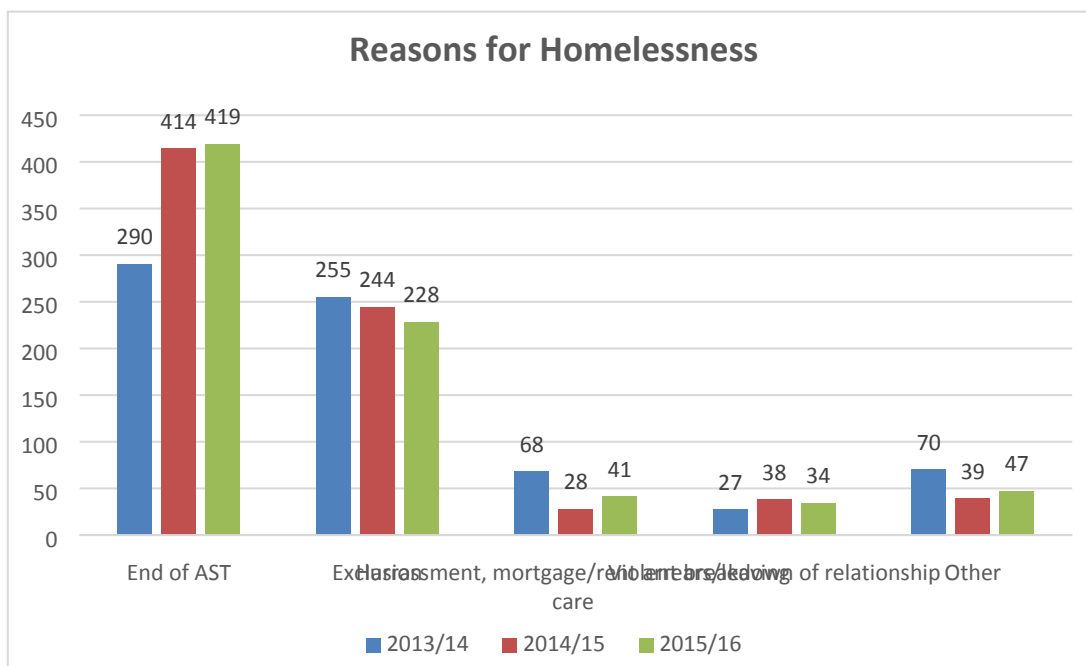
- 10.1 The shortage of supply of both social housing and affordable private rented accommodation in Lewisham continues to lead to high demand on the Housing Needs Service. This is demonstrated by the supply and demand graph shown below. This shows the decrease in the supply of re-lets/new homes against the increase in households in temporary accommodation. There has been an 89% increase in the number of households in temporary accommodation between 2010/11 and 2015/16 – as at the end of March 2016 there are currently 1,750 homeless households in temporary accommodation. This number has stabilised over the last 12 months, despite the challenges of the reduced supply of accommodation in the PRS and the increasing unaffordability of all tenures, as well as increased demand caused by welfare reform.





10.2 Over the same period, the number of households on the waiting list for social housing has grown from approximately 7,500 to over 9,250, of which 1,750 were those owed the main housing duty. It is projected that during 2016/17, 901 properties will become available to let of which 548 will be suitable for households with children.

10.3 In over 54% of acceptances the main reason for homelessness was the end of an assured shorthold tenancy, and in the majority of these cases the AST was terminated. This represents a continuation of the trend seen in previous years. Over 28% of acceptances were as a consequence of exclusion by friends or relatives.



10.4 The average waiting time for a homeless household to receive an offer of social housing where they have a two bed need is over 92 weeks, and can be much longer. This means that a family may be in temporary accommodation for many years. The table below shows the average waiting times in 2015 for a homeless household to receive an offer of social housing.

Avg. Weeks Taken	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed	Grand Total
<b>Band 3</b>						
Priority Homeless	43.4	53.7	92.6	108.2	94.4	93.3

10.5 Where possible, officers seek to prevent homelessness. In between January and March 2016, the council was able to prevent homelessness in 258 cases, an increase of 39% on the figures for the same quarter in 2015. In this way, the Council makes use of the Private Rented Sector to prevent a household becoming homeless, avoiding them having to move into temporary accommodation.

## 11 Temporary Accommodation

- 11.1 Despite the challenging housing conditions, officers have thus far been reasonably successful at maintaining the supply of in-borough temporary accommodation, consisting of a combination of hostels, which are owned and managed by the Local Authority, and Private Sector Leased (PSL) properties which are procured on long leases and managed by the authority.
- 11.2 Where the Council is not able to accommodate a homeless household in its own more stable supply of temporary accommodation, it purchases nightly-paid accommodation. Like all London boroughs we are finding it increasingly difficult to procure temporary accommodation. The supply of this accommodation in the private rented sector has been significantly impacted by Welfare Reform, specifically the changes to the Local Housing Allowance (LHA) and the introduction of the Overall Benefit Cap (OBC). Therefore in order to meet the demand the council must seek to provide suitable nightly paid accommodation out of the borough.
- 11.3 Accommodation of this kind is expensive, and the existing cap on welfare benefits means that the Council has to cover the shortfall on temporary accommodation. The Council spent in excess of £25m on temporary accommodation in 2015-16. Whilst the majority of that was recovered through housing benefits and rental income, the net expenditure was a little under £3m in excess of the budget provision, meaning that nightly paid accommodation is unsustainably expensive.
- 11.4 The Location Priority Policy prioritises offers of temporary accommodation, by providing criteria to determine allocation to units in the borough and those close to the borough. The table below provides a snapshot of households placed in temporary accommodation as of 30<sup>th</sup> April 2016. The figures show that the majority of households in temporary accommodation are in Lewisham. Where households are placed out of the borough, the vast majority are placed in boroughs close to Lewisham, including in the south east London sub-region.

### Temporary accommodation in the borough

The table below contains a breakdown of the number of households in nightly paid temporary accommodation in Lewisham and the number of PSL units which are leased that are in the borough. A PSL unit is a private sector leased property which has been procured by the authority for the purposes of providing cheaper, more sustainable temporary accommodation.

Borough	Households in Nightly Paid	PSL Units	Total
Lewisham	169	587	756

### Temporary accommodation out of the borough

The below table contains a breakdown of the number of households in nightly paid temporary accommodation outside of the borough and the number of PSL units which are leased that are outside of the borough. A PSL unit is a private sector leased property which has been procured by the authority for the purposes of providing cheaper, more sustainable temporary accommodation.

Borough	Households in Nightly Paid	PSL Units	Total
Aylesbury	1	0	1
Barking and Dagenham	1	0	1
Barnet	11	0	11
Bedfordshire	1	0	1
Bexley	32	4	36
Brent	2	0	2
Bromley	24	1	25
Camden	7	0	7
Croydon	89	0	89
Enfield	1	0	1
Greenwich	68	5	73
Haringey	4	0	4
Harrow	5	0	5
Havering	1	0	1
Hounslow	1	0	1
Kent CC	1	8	9
Kingston Upon Thames	1	0	1
Lambeth	33	0	33
Merton	2	0	2
Newham	9	0	9
Redbridge	41	0	41
Romford	4	0	4
Southwark	37	1	38
Sutton	4	1	5
Uxbridge	6	0	6
Waltham Forest	4	0	4
Wandsworth	1	0	1
Westminster	2	0	2
<b>Total</b>	<b>393</b>	<b>20</b>	<b>403</b>

<b>Totals</b>				
Borough	Households in Nightly Paid	PSL Units	Other TA units	Total
Out of borough	393	20	0	413
Lewisham	169	587	581	1337
<b>Total</b>	<b>562</b>	<b>607</b>	<b>581</b>	<b>1750</b>

## 12 Increasing the supply of temporary accommodation in the borough

12.1 In order to address these challenges, the Council has taken a number of steps to increase the supply of temporary accommodation in the borough, as outlined

below.

- 12.2 The Council has loaned Lewisham Homes £20m to acquire properties as an additional intervention to help manage homelessness demand. Over 50 properties have now been acquired through this scheme. These properties are being used for the purposes of temporary accommodation and homeless prevention, dependent on the demands of the service.
- 12.3 The Council has also built 'PLACE/Ladywell', a 'pop-up' housing scheme where modern methods of construction have been used to deliver new homes much more quickly than traditional methods would allow. The time taken to complete construction is halved whilst per unit costs are 20% lower. 'PLACE/Ladywell' is due to complete imminently and will provide 24 two bedroom temporary accommodation units for local homeless families as well as ground-floor units for community and business use to animate the area, while a master-plan for the site is developed.
- 12.4 The homes have been built in a factory and are re-deployable so they can be moved as necessary to meet demand. In Ladywell the units are being used on a site that will eventually form part of long term regeneration project. Therefore a site that would otherwise remain vacant will instead be used to house homeless families.
- 12.5 The Council has also expanded its hostel provision, for example by converting Hamilton Lodge from a residential care home into temporary accommodation for homeless households, providing 80 bed spaces.
- 12.6 These measures have helped to increase the supply of much-needed stable temporary accommodation in the borough. However, as the table in 11.4 demonstrates, there are still many more households in temporary accommodation than can be sustainably accommodated in the borough. Therefore officers are proposing the new Private Rented Sector Offers Policy to put in place a framework for using the private rented sector to house homeless families, so as to increase the supply of properties available to the Council to manage the rising number of homeless households in temporary accommodation. The sections below outline the measures in the proposed policy.

### **13 Proposed Private Rented Sector Offers Policy**

- 13.1 The proposed Private Rented Sector Discharge Policy is intended to provide a framework for the way in which the Council will bring its main housing duty owed to homeless households under s.193 Housing Act 1996 to an end by making a suitable offer of accommodation in the private rented sector. The policy applies to homeless applicants owed a duty for housing assistance under Part VII Housing Act 1996 and not allocations under Part VI HA 1996 (the waiting list for social housing).
- 13.2 The proposed policy is attached to this report at Appendix 1.

13.3 Since 9<sup>th</sup> November 2012, changes made by the Localism Act 2011 have enabled Local Authorities to discharge the main housing duty by securing a suitable offer of a tenancy in the private rented sector ('PRSO') under s.193(7AA)-(7AC) HA 1996. The key feature of the legislative change is that the main housing duty will come to an end whether or not the applicant accepts the PRSO, i.e. the Local Authority does not require the applicant's agreement to secure an offer. Whilst the offer is '*made*' by the proposed landlord (s.193(7AC)(a) HA 1996) and '*approved*' by the Council (s.193(7F)(ab) HA 1996), for the purposes of this report any references to the Council securing or arranging an offer should be taken to include the identification of the property, consideration of its suitability and approval of an offer.

13.4 A PRSO is an offer of an assured shorthold tenancy made by a private landlord to an applicant in relation to any accommodation which:

- has been made available for the applicant's occupation by arrangements made by the local authority with a private landlord or
- is made with the approval of the authority, in pursuance of arrangements made by the authority with the landlord with a view to bringing the section 193(2) duty to an end, and
- is a fixed term Assured Shorthold Tenancy for a period of at least 12 months.

13.5 The applicant must (and will) be informed in writing of the following matters:

- the possible consequence of refusal or acceptance of the offer,
- that the applicant has the right to request a review of the suitability of the accommodation, and
- the effect under new section 195A of a further application to the authority within two years of acceptance of the offer (the 'reapplication duty') (see further below at section 17).

13.6 Applicants can continue to request a review of the housing authority's decision that the accommodation offered to them is suitable, see further below at section [20].

## **14 Aims of the policy**

14.1 The overall aim of the Housing Needs service is to find stable, affordable, sustainable accommodation for any household which find themselves homeless and in acute housing need.

14.2 The aims of the Private Rented Sector Offers Policy are:

- To increase the supply of suitable accommodation available to the Council for those who the Council has determined it owes the main housing duty.
- To make best use of all available housing supply having regard to the

prevailing housing circumstances.

- To enable households owed the main housing duty to receive an offer of suitable accommodation in the shortest possible time.
- To prioritise households most in need of a social housing tenancy.
- To displace the presumption that those households owed the main housing duty under Part VII HA 1996 will be made an allocation of social housing under Part VI HA 1996.
- To apply the locational priorities set out in the Locational Priority Policy to PRSOs taking into account constraints regarding affordability and availability.

## **15 When Private Rented Sector Offers will be made**

15.1 In light of the local pressures outlined in this report, the Council proposes that it will normally seek to bring the main housing duty under Part VII to an end by securing a PRSO. Therefore, a PRSO will normally be secured for applicants owed the main housing duty, subject to the exceptions set out in the proposed policy, and provided that the Council can identify available accommodation which it is satisfied is suitable for the circumstances of the individual household.

15.2 A PRSO may be secured in respect of accommodation inside or outside the London Borough of Lewisham. The local pressures set out above mean that finding affordable accommodation in borough is challenging and the Council increasingly has to look out of Borough to identify accommodation which is affordable. However, the Council's consideration of whether accommodation is suitable includes consideration of the distance from the Council and disruption to ties to the Borough.

15.3 The Council has identified that there may be exceptional circumstances which would make a PRSO inappropriate, for example households that require adaptations because of health and disability related needs and households unable to manage a PRS tenancy without a substantial level of support. These households will not normally be offered a PRSO, see the extract from the proposed policy at 2.2 (a) and (b) below.

15.4 Those households with specific needs who the council has already identified under the Location Priority Policy as having priority for in-borough accommodation will not normally be offered a PRSO on the basis that they are vulnerable households with prioritised needs justifying the additional stability of a secure tenancy and also taking into account the practical pressure of procuring affordable accommodation in borough, where those households in particular have an exceptional need to be accommodated, see the extract from the proposed policy at: 2.2 (c) to (g) below.

15.5 Under the proposed general policy, the Council will normally seek to bring the main housing duty to an end by arranging a PRSO, subject to the exceptions set out below, and provided that the Council can identify available

accommodation which it is satisfied is suitable for the circumstances of the individual household. A PRSO will not normally be offered where there are exceptional circumstances which make a PRSO inappropriate as follows:

“2.2 A PRSO will not normally be offered where there are exceptional circumstances which make a PRSO inappropriate. Such cases may include the following:

- (a) Where a household requires adaptations to meet health and disability related needs which it is not reasonably practicable to achieve in private rented sector accommodation.
- (b) Where a household is unable to manage a tenancy in the private rented sector without a substantial level of tenancy related support.
- (c) Applicants who are receiving treatment for a physical or mental health condition from a specialist hospital unit which cannot be transferred to another NHS service or they are at a critical point in their treatment.
- (d) Children subject to a Child Protection Plan in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to a child’s welfare.
- (e) Children subject to an Education Health and Care Plan (EHCP) or a Statement of Special Educational Needs in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to the child’s welfare.
- (f) They have a longstanding arrangement to provide essential care to another family member in the London Borough of Lewisham who is not part of the household. Carers must be in receipt of Carer’s Allowance.
- (g) Other circumstances which demonstrate an exceptional need which cannot be met outside of the London Borough of Lewisham.”

15.6 Under the Housing Act 1996, the Council must be satisfied that if the applicant has any existing contractual obligations in respect of his or her current accommodation that s/he is able to bring those to an end before taking up the offer. Officers will therefore always consider this.

## **16 Ensuring suitability of accommodation: Location / Affordability / Condition**

16.1 The Council must secure that accommodation which is made available for households in the discharge of their homelessness functions under Part VII HA 1996 is suitable for the household. That includes PRSOs.

16.2 No PRSO will be made unless the Council is satisfied that it is suitable. The Council will have regard to the Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012, DCLG, November 2012 when seeking

to discharge the main housing duty into the private rented sector.

16.3 Space and arrangement will be key factors in determining the suitability of accommodation. However, consideration of whether accommodation is suitable requires an assessment of all aspects of the accommodation in the light of the relevant needs, requirements and circumstances of the homeless person and his or her family. Relevant social considerations may include risks of violence, racial harassment or domestic violence.

16.4 There are a number of considerations, prescribed by delegated legislation, which the Council must take into account when considering whether or not a PRSO is suitable. Some of these provisions were introduced specifically to ensure that PRSOs meet necessary standards in relation to their condition & safety.

### ***Location***

16.5 Firstly, the Council is required to ensure that so far as is reasonably practicable it shall secure that accommodation is available for the occupation of the relevant homeless applicant in the Borough.

16.6 In determining whether a PRSO is suitable for a person, the Council must take into account the location of the accommodation, including—

- (a) Where the accommodation is situated outside Lewisham, the distance of the accommodation from the borough;
- (b) The significance of any disruption which would be caused by the location of the accommodation to the employment, caring responsibilities or education of the person or members of the person's household;
- (c) The proximity and accessibility of the accommodation to medical facilities and other support which—
  - (i) are currently used by or provided to the person or members of the person's household; and
  - (ii) are essential to the well-being of the person or members of the person's household; and
- (d) The proximity and accessibility of the accommodation to local services, amenities and transport.

### ***Affordability***

16.7 The Council is required to consider the affordability of a PRSO, and to consider in particular the following:

- (a) the financial resources available to that person;
- (b) the costs in respect of the accommodation;
- (c) payments which that person is required to make under a court order for the making of periodical payments to a spouse or a former spouse, or to, or for the benefit of, a child and payments of child support maintenance;



- and
- (d) that person's other reasonable living expenses.

### ***Condition of the Property***

- 16.8 The Council is required to have regard to the provisions of primary legislation regarding slum clearance, overcrowding and the licensing, regulation of safety and condition of residential properties.
- 16.9 The Council is also specifically required when arranging a PRSO to be satisfied as to the adequacy of the following matters before it can conclude that the property is suitable:
- (a) electrical safety;
  - (b) fire safety;
  - (c) gas safety;
  - (d) carbon monoxide safety;
  - (e) HMO licensing regulations;
  - (f) energy performance certification requirements;
  - (g) whether the landlord is a fit and proper person;
  - (h) that the property is reasonable physical condition; and
  - (i) the adequacy of the tenancy agreement.

### **17 Reapplication Duty**

- 17.1 The effect of the below provisions is to mitigate to a degree the potential for instability in the private sector by deeming an applicant to have priority need (one of the conditions to be satisfied before the main housing duty is owed under Part VII to homeless applicants) whether or not they do in fact satisfy that condition when an application is made within two years of accepting a PRSO whether on the basis that the applicant is actually homeless or is threatened with homelessness.
- 17.2 Under section 195A(1) HA 1996 (re-application after private rented sector offer), the section 193(2) duty applies regardless of whether the applicant has a priority need where:
- (a) a person makes a re-application for assistance within two years of accepting a private rented sector offer, and
  - (b) the applicant is eligible for assistance and has become homeless unintentionally.
- 17.3 Under section 195A(3) HA 1996, the section 195(2) duty (owed to eligible applicants in priority need and threatened with homelessness) will apply regardless of whether the applicant has a priority need where:
- (a) a person makes a re-application for assistance within two years of accepting a private rented sector offer, and

- (b) the applicant is eligible for assistance and is threatened with homelessness unintentionally.

## **18 Viewing the Property**

- 18.1 The Homelessness Code of Guidance for Local Authorities (July 2006) at Chapter 14.18 states that the Secretary of State recommends that applicants are given the chance to view accommodation before being required to decide whether they accept or refuse an offer, and before being required to sign any written agreement relating to the accommodation (e.g. a tenancy agreement).
- 18.2 So far as is reasonably practicable, applicants will be given an opportunity to view a property proposed to be subject to a PRSO before deciding whether to accept or reject it. Where this is not reasonably practicable, an Information Pack will be provided. To that (limited) extent, the Council would be departing from the 2006 Code but any departure will be assessed on a case by case basis. A relevant factor will be that, unlike under Part VI (allocations), the Council cannot directly control the period for which a private landlord will 'hold' a PRSO available for the Council in order to accommodate a viewing.

## **19 Acceptance of an Offer**

- 19.1 Once the main homelessness duty has been brought to an end, applicants who have accepted or refused a PRSO will no longer be owed a 'reasonable preference' for an allocation of housing under Part VI HA 1996 on the basis that they are homeless. Their priority will be reviewed accordingly.

## **20 Discharge & Review**

- 20.1 Where an applicant does not accept a PRSO which the Council is satisfied is suitable for their household, the Council will normally decide the main homelessness duty has been discharged and they are not under a duty to provide them with accommodation. This will be made clear to Applicants when offers are made so that they understand consequences of accepting or rejecting them. An applicant can request a review of the decision that the accommodation offered to them is suitable whether or not s/he has accepted the PRSO. Applicants can request a review of the Council's decision to discharge duty. (Often these requests for review are rolled into one). If the applicant is not satisfied with the decision on review, they are entitled to bring an appeal to the County Court.

## **21 Monitoring and review of the policy**

- 21.1 This policy, subject to any revisions and if it comes into force, will be monitored and reviewed 12 months after the date of its commencement. Housing Select Committee will be provided with updates on the operation of the policy as part of its work programme.

## **22 Financial Implications**

- 22.1 The purpose of this report is to introduce a proposed new Private Rented Sector Discharge policy for consultation with residents and partners. The costs of consultation are expected to be minimal and will be met from existing budgets.
- 22.2 It should be noted that the Council has spent in the region of £25m on nightly paid accommodation in 2015/16, £2.6m in excess of the budget provided for this purpose.
- 22.3 As a part of its approach to the current shortfall in temporary accommodation, the Council is making a capital investment of around £28.5m in property acquisition.
- 22.4 The capital investment is expected to assist in marginally reducing the level of spend on nightly paid accommodation, depending on the level of demand. . The ability to discharge its homelessness duty into the private rented sector will, subject to no further increases in homeless applications, further assist in reducing this cost

### **23 Legal Implications**

- 23.1 The relevant legal duties and powers under the Housing and Homelessness legislation (principally Part VII Housing Act 1996) has been set out in some detail above where relevant, see in particular paragraph 13 [1] – [6], and so is not repeated further here.
- 23.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil 11 partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 23.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 23.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 23.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of

Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

23.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

23.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and 12 resources are available at:

<http://www.equalityhumanrights.com/adviceand-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **24 Crime and Disorder Implications**

24.1 There are no specific crime and disorder implications arising from this report.

## **25 Equality Implications**

25.1 An equality analysis assessment of the proposed changes will be undertaken and reported back along with the final proposed policy later this year and in light of the consultation responses.

25.2 Analysis of the Council’s homeless applicants in 2015/16 shows that the client group has a higher proportion of the following protected characteristics than the general population in Lewisham:

- Female
- Black and minority ethnic
- Between 18-39
- Has children or is pregnant

25.3 Therefore it is likely that the people who will be affected by this policy, and therefore less likely to be made an offer of social housing, will have one or

more of these protected characteristics. The criteria outlined in paragraph 14.5 have been designed to mitigate the impact of the policy on households with the greatest need for affordable social housing in borough.

25.4 The tables below show the equality data held for applications where a homeless duty was accepted 1st April 2015 – 23rd March 2016.

**Applications where a homeless duty was accepted 1<sup>st</sup> April 2015 – 23<sup>rd</sup> March 2016**

Age

Age Band	Total	%
Under 18	1	0%
18-24	104	14%
25-39	424	56%
40-59	212	28%
60+	16	2%
<b>Grand Total</b>	<b>757</b>	

Sex

**Applications where a homeless duty was accepted 1<sup>st</sup> April 2015 – 23<sup>rd</sup> March 2016**

Household Type	Number	%
All other Households	54	7%
Couple with dependent children	185	24%
One Person - Female Applicant	86	11%
One Person - Male Applicant	22	3%
One Person (Female) w/ dependent children	374	49%
One Person (Male) w/ dependent children	36	5%
<b>Grand Total</b>	<b>757</b>	

Ethnicity

**Applications where a homeless duty was accepted 1<sup>st</sup> April 2015 – 23<sup>rd</sup> March 2016**

Ethnicity	Total	%
Asian	38	5%
Black	412	54%
Mixed	44	6%
Other	62	8%
Refused/Unspecified	12	2%
White	189	25%
<b>Grand Total</b>	<b>757</b>	

## 26 Environmental Implications

26.1 There are no specific environmental implications arising from this report.

## 27 Background documents and originator

27.1 The background papers to this report are:

Title	Date	File Location	Contact Officer
Using Private Rented Sector Accommodation to Address Homelessness in Lewisham	25 March 2015	Available at this <a href="#">link</a>	Madeleine Jeffrey
Homelessness: Lewisham Homes Property Acquisitions	14 January 2015	Available at this <a href="#">link</a>	Genevieve Macklin

27.2 The current Location Priority Policy referred to in the report is available here: <http://councilmeetings.lewisham.gov.uk/documents/s39600/Appendix%20A%20Location%20Priority%20Policy.pdf>

27.3 The current Temporary Accommodation Procurement Strategy referred to in the report is available here: <http://councilmeetings.lewisham.gov.uk/documents/s39602/Appendix%20C%20Temporary%20Accommodation%20Procurement%20Strategy.pdf>

27.4 The Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012 referred to in paragraph 4.12 is available here: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/270376/130108\\_Supplementary\\_Guidance\\_on\\_the\\_Homelessness\\_changes\\_in\\_the\\_Localism\\_Act\\_2011\\_and\\_on\\_the\\_Homelessness\\_Order\\_2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270376/130108_Supplementary_Guidance_on_the_Homelessness_changes_in_the_Localism_Act_2011_and_on_the_Homelessness_Order_2012.pdf)

27.5 If you would like any further information on this report please contact Madeleine Jeffery on 020 8314 9484.

**LONDON BOROUGH OF LEWISHAM  
PRIVATE RENTED SECTOR POLICY**

**DRAFT AS AT 13.05.16**

**Scope**

- 1.1 This Private Rented Sector Discharge Policy will provide a framework for the way in which the London Borough of Lewisham ('the Council') will discharge the main housing duty under s.193 Housing Act 1996 ('the main housing duty') by arranging an offer of suitable accommodation in the private rented sector. The policy therefore applies to applicants for housing assistance under Part VII Housing Act 1996 ('HA 1996') and not allocations under Part VI HA 1996.
- 1.2 All PRSOs secured by the Council must satisfy the requirements as to suitability under the HA 1996 and delegated legislation (which includes affordability). In addition, the Council will apply the locational priorities set out in its Location Priority Policy to PRSOs.
- 1.3 When making decisions under this policy, in accordance with section 11(2) Children Act 2004, the Council will have regard to the principal needs of any children in the household, and the need to safeguard and promote the children's welfare. In particular, regard will be had to any disruption to schools, medical care, social work, and other key services and support.
- 1.4 The Council will also have regard to the circumstances of the entire household and will have due regard to the Public Sector Equality Duty ('PSED') under s.149 Equality Act 2010 when making decisions under this policy which affect those with a 'protected characteristic' as defined under the Act. This policy will be monitored and reviewed, as set out below.

**When PRSOs will be arranged**

- 2.1 The Council will normally seek to bring the main housing duty under Part VII to an end by arranging a PRSO, subject to the exceptions set out below, and provided that the Council can identify available accommodation which it is satisfied is suitable for the circumstances of the individual household.
- 2.2 A PRSO will not normally be offered where there are exceptional circumstances which make a PRSO inappropriate. Such cases may include the following:
  - (a) Where a household requires adaptations to meet health and disability related needs which it is not reasonably practicable to achieve in private rented sector accommodation.
  - (b) Where a household is unable to manage a tenancy in the private rented sector without a substantial level of tenancy related support.

- (c) Applicants who are receiving treatment for a physical or mental health condition from a specialist hospital unit which cannot be transferred to another NHS service or they are at a critical point in their treatment.
- (d) Children subject to a Child Protection Plan in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to a child's welfare.
- (e) Children subject to an Education Health and Care Plan (EHCP) or a Statement of Special Educational Needs in the London Borough of Lewisham which cannot be transferred to another local authority without causing serious detriment to the child's welfare.
- (f) They have a longstanding arrangement to provide essential care to another family member in the London Borough of Lewisham who is not part of the household. Carers must be in receipt of Carer's Allowance.
- (g) Other circumstances which demonstrate an exceptional need which cannot be met outside of the London Borough of Lewisham.

### **Duty accepted before Pre-November 9<sup>th</sup> 2012**

- 3.1 Where an applicant has applied to the Council for accommodation or for assistance in obtaining accommodation under Part VII HA 1996 Act; and the duty to secure that accommodation is available for the applicant's occupation under Part VII has arisen and not ceased, before 9<sup>th</sup> November 2012, no PRSO will be made.

### **Viewing and Offers**

- 4.1 So far as is reasonably practicable, applicants will be given an opportunity to view a property proposed to be subject to a PRSO before deciding whether to accept or reject it. Where this is not reasonably practicable, an Information Pack will be provided.

### **Monitoring & Review of this Policy**

- 5.1 The Council will monitor the application of this policy and it will be reviewed within 12 months of the date of its commencement.

**Dated 13<sup>th</sup> May 2016**