

HOUSING SELECT COMMITTEE			
<b>Report Title</b>	Temporary Accommodation		
<b>Key Decision</b>	No	<b>Item No.</b>	5
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Customer Services		
<b>Class</b>	Part 1	<b>Date:</b> 3 February 2014	

## 1 Summary

- 1.1 This report updates Housing Select Committee on the current position with the use of temporary accommodation for homeless households and on recent developments to increase supply.

## 2 Recommendations

- 2.1 Members are asked to note the contents of the report. Further updates will be made available in due course.

## 3 Background

- 3.1 The number of households in temporary and bed & breakfast (B&B) accommodation is increasing across London, and Lewisham is no exception. From December 2012 to December 2013, there has been a 17% increase in Lewisham and an 8% rise nationally across a similar period. This is due to a combination of a reducing supply of lets and an increase in homeless approaches and acceptances of homeless applications made to the authority.
- 3.2 Lewisham, and London more generally, faces severe housing pressures across all tenures. In Lewisham, new supply for all tenures totalled 670 units in 2012/13 but is projected to fall to 230 in this year. In 12/13 a total of 1,774 lets were made, falling to a projected 1,480 in this year demonstrating a drop in projected annual lettings of almost 17%.
- 3.3 A combination of the effects of welfare reform, rising property prices/rents and rapidly increasing demand across all housing tenures is leading to a significant increase in demand for all accommodation types in Lewisham and London.

### Demand & Supply

- 3.4 The rise in demand and growing pressures on supply are illustrated in the data contained in the table below:

Demand & Supply:			
Year	2011/12	2012/13	2013/14
Homeless applications taken	1028	1248	1028
Applications accepted	567	588	710
Total lettings made (relets and new build)	1822	1774	1480 (projected)

3.5 The reason for the decline in the number of lettings projected for the current year is that there will be a fall in the number of voids becoming available within existing stock and there will also be a fall in the supply of new build units being delivered in 2013/2014.

3.6 The reasons for the fall in the number of voids in existing stock are not entirely clear, but anecdotal evidence suggests that it may be due to a combination of factors. These include the general effects of the recession on many households, such as the rising cost of living combined with stagnant wage levels. Furthermore, the relative inaccessibility of home ownership and the high costs associated with moving home are also likely to be factors, as well as the increasing costs of private renting in Lewisham and London as a whole and the impact of the Welfare Reform changes.

3.7 Projected new build supply in Lewisham for 2013/14 is 230 units (170 rented), compared to 424 rented in 2012/2013 and 603 rented in 2011/2012 respectively. The total delivered for 2013/14 up to December 2013 is 115, however, it should be noted that traditionally many new build completions occur in the last quarter of the year. The low numbers of new supply are in part because the GLA were late in announcing funding for this period, and did not impose a funding deadline for March 2014. The next GLA funding deadline is March 2015 which is reflected in a higher projected new build supply in Lewisham for 2014/15 which currently totals 769 (532 rented).

3.8 The increase in demand detailed above and reduction in supply of rented accommodation is resulting in an increase in households placed in bed and breakfast accommodation which is also having a detrimental financial impact on the Council's budgetary position. The current forecast shows an overspend of approximately £1m against the temporary accommodation budget. Officers are therefore looking at every possible option to increase supply generally and hostel provision in particular to reduce this overspend.

#### **4 Sub Regional context**

4.1 The number of households in temporary accommodation in the South East housing sub region is also generally rising. Historical DCLG data for the period April 2010 to March 2013 shows a similar upward trajectory to Lewisham with a slight decrease in the Royal London Borough of Greenwich by the end of March 2013 set out in table below.

	2010/11	2011/12	2012/13
<b>Bexley</b>	217	304	430
<b>Bromley</b>	429	612	764
<b>Greenwich</b>	174	235	211
<b>Lewisham</b>	924	1,089	1,165
<b>Southwark</b>	752	669	705

## **5 Types of temporary accommodation available**

- 5.1 Temporary accommodation covers a variety of accommodation types – B&B, hostels, Private Sector Leasing (PSL), Housing Association Leasing (HALs) and the utilisation of social housing stock. Officers seek to match the best accommodation to the individual or household.
- 5.2 B&B accommodation is generally the most expensive and least suitable but may be utilised in the short term and in cases where we need to respond to a particular set of circumstances which require further investigation such as:
- i) the applicant is in priority need;
  - ii) they are homeless but may be intentionally so;
  - iii) may not have a local connection with the area.
- 5.3 It is preferable and more cost effective to use hostel stock for temporary accommodation rather than Bed and Breakfast. Lewisham is fortunate to have a relatively large hostel portfolio as one of the options for temporary housing of homeless households. The 25 hostels range from small street properties, housing four households, to large hostel accommodation of around 50 units. There are 349 individual units, ranging in size from one bed space (not room) to seven bed spaces which provide accommodation to a range of homeless households. However sometimes there is a mismatch between the size of the accommodation available and the demand from the presenting households which means that the Council needs to use B&B accommodation in some circumstances.
- 5.4 There are also some clients who would not suit hostel living due to the nature of their vulnerability or the nature of their background, including criminal behaviour. When this occurs, there is no option but to offer B&B accommodation to households who are eligible, homeless, in priority need and entitled to a service from the Council. If the individual or household have been working with the Housing Options Service prior to an eviction and a full duty to re-house has been accepted by the Council they may be placed directly into PSL.
- 5.5 When a room becomes available in a hostel it is allocated to an individual or household who are currently in B&B awaiting more suitable accommodation, or to an individual or household who have been working with the housing options service prior to an eviction and a full duty to re-house has been accepted by the Council.

- 5.6 Residents in hostels are moved on into either permanent social housing, a PSL or a private rented sector tenancy option, when appropriate accommodation is available.
- 5.7 The Council's Private Sector Leasing scheme currently has a portfolio of 576 properties with a target of 750 by April 2015. These properties are procured from private landlords through a lease arrangement between the Council and the landlords. They are used to provide temporary accommodation to homeless households to whom the Council owes a statutory duty. The properties are mainly flats, houses and some self-contained studios. Since the scheme's inception seven years ago, it has provided and continues to provide a more desirable and secure type of temporary accommodation for homeless households in comparison to B&B.
- 5.8 Appendix 1 of this report specifies who temporary accommodation can be used for in more detail and the statutory position on homelessness, for information.

## **6 Initiatives to increase TA supply**

### **6.1 Private Sector Housing Options**

6.2 The Lewisham Landlord Letting Scheme is a comprehensive tenant finding service where Lewisham Council acquires properties from private landlords who are interested in letting their properties on an Assured Shorthold Tenancy and directly managing the properties themselves. The Council refers households to these properties to prevent them from becoming homeless. The households referred to this scheme tend to be living in the private rented sector already and their tenancy is due to come to an end in the near future. Moving into another rented property before the tenancy comes to an end is a more sustainable and less disruptive solution rather than going through the homeless process and temporary accommodation for years.

6.3 This scheme offers attractive incentives including a bond and one off cash incentive and the tenancies are for 12 months. Each property that is procured will have an individual lease. There are no over arching contracts. The PSL negotiating team have a rental framework which they must work within, but within this there is flexibility for them to negotiate the best possible deal.

### **6.4 Hostel Improvements**

6.5 The Council's capital programme has recently delivered significant improvements to a considerable number of hostel units, both self contained and where kitchen and bathroom facilities are shared. The overall standard of the units is now much higher and the layout more customer friendly. The programme has ensured that the Council makes savings on day to day repair costs, achieving value for money through this 'spend to save' initiative.

6.6 Also as a result of the programme, the Council now has a number of large family sized units in its hostels which did not exist before. This will enable

large families to be housed in the reconfigured units. Prior to the programme, large families would be placed in emergency B&B or in self-contained nightly paid annexe accommodation at a significant cost to the Council.

#### 6.7 B&B Audit

6.8 Officers have recently undertaken an audit of bed & breakfast accommodation used for homeless households. The purpose of the exercise was to check that occupants were still using the accommodation given the huge financial cost to the Council. A similar exercise was last undertaken in 2012 which identified a number of discrepancies, however, in this instance, all cases except one, were occupying the accommodation.

#### 6.9 Housing Options Centre

6.10 A small team of three Housing Options Officers have been dedicated to full time homeless prevention work in order to identify and proactively work with households threatened with loss of their accommodation prior to them presenting to the authority as homeless to reduce the number of placements being made in to temporary accommodation and in particular into B & B establishments.

6.11 To assist this team additional homeless prevention tools have been developed with partner departments within the Council, most notably a fund of £50,000 from the Discretionary Housing Payment (DHP) budget to utilise in preventing the termination of private sector tenancies which is currently the single largest reason for homelessness in the borough.

6.12 The Procurement Team in the recently established Private Sector Housing Agency is working very closely with the Prevention Team in delivering this project and in its first week of operation secured four privately rented properties that were offered as a housing option to households in the private rented sector who had been served with repossession notices. Four households chose to move into these properties and so homelessness and the long journey through B&B, hostel and PSL accommodation was successfully prevented for these households.

#### 6.13 Property Acquisition and Conversion

6.14 A number of other initiatives are ongoing to acquire additional temporary accommodation. These include the possible conversion and reconfiguration of existing council assets including some properties decanted for estate regeneration, the purchase of property on the open market, registered provider disposals, first refusal on some RTB leaseholder buy backs and a number of speculative opportunities. When combined, these ongoing initiatives could deliver in the region of 170 additional units of temporary accommodation and will reduce the use of B&B further. Members will be kept updated about progress in due course.

#### 6.15 New Build

- 6.16 The Housing Matters programme, launched in July 2012 is responding to housing challenges both in Lewisham and across London generally. The first six council new build homes will start on site at Mercator Road in February 2014. A further 94 homes located across the borough have been agreed by Mayor & Cabinet in principle and it is aimed to secure planning consent for these in the summer of 2014. This is in addition to the ongoing work with Housing Association partners to maximise the delivery of new housing.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 This is an information report so there are no financial implications arising other than those stated elsewhere in the report.

## **8 LEGAL & HUMAN RIGHTS IMPLICATIONS**

- 8.1 There are no specific legal implications arising from this report save to note the following statutory Equality Act obligations.

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 partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 8.2 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.
- 8.3 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.
- 8.4 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/>

8.5 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

8.6 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 resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **9 EQUALITIES IMPLICATIONS**

9.1 As this is a general information report, there are no specific practical equalities implications to insert.

## **10 CRIME AND DISORDER IMPLICATIONS**

10.1 There are no specific crime and disorder implications.

## **11 ENVIRONMENTAL IMPLICATIONS**

11.1 If they proceed, the proposed works will improve the performance of various buildings and therefore have a positive impact on the environment.

## Appendix 1

### Acceptance into Temporary Accommodation

- 1.1 Temporary accommodation is used to accommodate households who apply as homeless and are in need, pending further investigations. It is also used for households when we have completed our investigations and accepted a duty but for whom suitable permanent or stable accommodation is not currently available.
- 1.2 Acceptance into Temporary Accommodation is determined by statute. Applicants who approach the Council for assistance under the terms of the Housing Act 1996 (Part VII) as homeless households, who can demonstrate that they are eligible to apply, and are homeless and in priority need, must be accommodated within the meaning of Section 188 of the same Act. This is a statutory function of the Authority. The test for who is in priority need is very low, so low that the applicant does not have to demonstrate a clear priority need only to show that they may be in priority need. Priority need is specified in the Housing Act 1996 pt. VII as follows:
  - (1) The following have a priority need for accommodation:
    - (a) pregnant woman or a person with whom she resides or might reasonably be expected to reside;
    - (b) a person with whom dependent children reside or might reasonably be expected to reside;
    - (c) a person who is vulnerable as a result of old age, mental illness or handicap or physical disability or other special reason, or with whom such a person resides or might reasonably be expected to reside;
    - (d) a person who is homeless or threatened with homelessness as a result of an emergency such as flood, fire or other disaster.
- 1.3 Housing authorities must ensure that suitable accommodation is available for people who have priority need, if they are eligible for assistance and unintentionally homeless (certain categories of persons from abroad are ineligible). This is known as the main homelessness duty. The housing authority can provide accommodation in their own stock or arrange for it to be provided by another landlord, for example, a housing association or a landlord in the private rented sector. If settled accommodation is not immediately available, accommodation must be made available in the short term (temporary accommodation) until the applicant can find a settled home, or until some other circumstance brings the duty to an end.
- 1.4 In each case, the authority will need to decide whether the applicant is eligible for assistance, actually homeless, has a priority need, and whether the homelessness was intentional. Housing authorities can also consider whether applicants have a local connection with the local district, or with another district. These are the five key legal tests in the law on homelessness:
- 1.5 **Eligibility** - Certain applicants who are persons from abroad are not eligible for any assistance under Part 7 except free advice and information about



homelessness and the prevention of homelessness. Their immigration status will tell us whether we can assist them. If they are not eligible we cannot provide any accommodation, even temporarily.

- 1.6 **Homelessness** - Broadly speaking, somebody is statutorily homeless if they do not have accommodation that they have a legal right to occupy, which is accessible and physically available to them (and their household) and which it would be reasonable for them to continue to live in. It would not be reasonable for someone to continue to live in their home, for example, if that was likely to lead to violence against them (or a member of their family).
- 1.7 **Priority need** – An applicant may have a priority need if they are assessed as meeting the thresholds in the following categories:-
- Dependent children
  - Pregnant
  - Vulnerable as a result of old age, physical or mental ill health or a period in prison, armed forces or domestic violence, harassment or other disaster
  - Emergency (fire flood or other disaster)
  - Other special reasons
  - 16/17 year old
  - Some former care leavers depending on age and vulnerability.
- 1.8 **Intentionality** - A person would be homeless intentionally where homelessness was the consequence of a deliberate action or omission by that person (unless this was made in good faith in ignorance of a relevant fact). A deliberate act might be a decision to leave the previous accommodation even though it would have been reasonable for the person (and everyone in the person's household) to continue to live there. A deliberate omission might be non-payment of rent that led to rent arrears and eviction.
- 1.9 **Local connection** - Broadly speaking, for the purpose of the homelessness legislation, people may have a local connection with a district because of residence, employment or family associations in the district, or because of special circumstances. The housing authority dealing with the application can ask the housing authority in that other district to take responsibility for the case. However, applicants cannot be referred to another housing authority if they, or any member of their household, would be at risk of violence in the district of the other authority.

## **2 What happens to individuals and households who are not accepted?**

- 2.1 Not everyone who makes an application for assistance is accepted. The most common reason for refusal is that the applicant is not in priority need. Although this is defined for the Council in the Housing Act 1996 pt. VII. The Council is also bound by case law as developed in the High Court, the Court of Appeal and the Supreme Court. The Council is also bound by decisions from the European Court of Human Rights.

2.2 The accepted test for vulnerability has been developed in the Court of appeal in the case known as *R v Camden LBC ex p Pereira* [1998] 30 HLR 317. It is stated that:

- The Council must ask itself whether Mr. Pereira is, when homeless, less able to fend for himself than an ordinary homeless person so that injury or detriment to him will result when a less vulnerable individual would be able to cope without harmful effects.” That test was included in the current Homelessness Code of Guidance for Local Authorities.

2.3 For those who are street homeless and not considered to be in priority need, the options are difficult (details of the work undertaken by Lewisham’s Single Homelessness Intervention and Prevention Service (SHIP) in this area is contained within section 5 below). The Mayor of London’s office has set up some projects through Thames Reach and other third sector organisations to try and secure places in hostels and the “no second night out” scheme aims to help people before they become entrenched rough sleepers. Some clients may be able to secure loans through the Credit Union or from the Social Fund to pay for rent in advance or a deposit but many are left to the generosity of friends and family.

2.4 If following an application it is found that the individual or household is intentionally homeless, no duty to assist will exist. However, officers will ensure that the household receives information on obtaining accommodation in the private rented sector. Households with children will also be directed to Social Services where they may be eligible for assistance.