



City of Westminster

Cabinet Member Report

Decision Maker:	Councillor Daniel Astaire – Cabinet Member for Housing, Regeneration, Business and Economic Development
Date:	11 January 2017
Classification:	Open
Title:	Homelessness Policies
Wards Affected:	All
Key Decision:	Key decision
Financial Summary:	<p>This report sets out a suite of policy changes needed to ensure the long term sustainability and affordability of housing support for households in housing need/at risk of homelessness, as the impact of national policies and other factors upon supply and demand will make the current temporary accommodation solutions unaffordable for both the council and its customers over time.</p> <p>The costs of implementing the policies will be contained within the current Medium Term Planning budget envelope. The current budget for temporary accommodation is £4.3m and for homelessness is c£4m.</p>
Report of:	Executive Director of Growth, Planning and Housing Director of Housing and Regeneration Director of Policy, Performance and Communications

1. Executive Summary

- 1.1 This report proposes a new homelessness policy framework which is intended to ensure the support the council provides to homeless households can be delivered effectively and sustainably over time, providing housing that can be afforded, both by the council and the households concerned, while also providing greater certainty for those being helped. In particular, they aim to contain temporary accommodation costs, which could rise from £4.3m in 2016/17 to £11.8m in 2020/21 if a new approach is not adopted. The new framework approach aims to contain costs by making more homeless households the offer of a private rented tenancy, as an alternative to them living in temporary accommodation for many years waiting for social housing. The policies also aim to contain temporary accommodation costs by procuring accommodation that is affordable to the council and within national subsidy levels.
- 1.2 The result of this approach is likely to be that more housing for homeless households will be outside Westminster for it to be affordable to the council and affordable and sustainable to homeless households i.e. within benefit levels. It is anticipated that making private rented offers to homeless households will help to improve outcomes for them as it will result in the offer of more settled accommodation more quickly, compared with very long waits for social housing. Every effort will be made to procure properties in the South East so households can maintain links to Westminster and London and also to procure properties in suitable areas. The new policy framework also aims to ensure that households with the greatest need remain in Westminster and London.

2. Recommendations

- 2.1 That the Cabinet member approves the following:
- The Private Rented Sector Offers Policy for Homeless Households (Appendix 2) is adopted and implemented from 30th January 2017 and that it could apply to any household where the law allows and is not exempt from the policy.
 - The Accommodation Procurement Policy for Homeless Households (Appendix 3) is adopted and replaces the Temporary Accommodation Procurement Strategy 2013 from 30th January 2017.
 - The Accommodation Placement Policy for Homeless Households (Appendix 4) is adopted and is implemented from 30th January 2017 and that it will apply to all

private rented offers, and offers of temporary accommodation, that are made from this date.

- With regards to the offers of temporary accommodation, the Accommodation Placement Policy for Homeless Households (Appendix 4) is adopted to replace section 15.2 (15.2.1 – 15.2.10) of the Housing Allocation Scheme (March 2016) from 30th January 2017.

3. Reasons for Decision

3.1 These policies are required to ensure availability of enough affordable, suitable private sector accommodation to allow the council to meet its homelessness duties at a cost it can sustain against the background of:

- An increasingly difficult market, marked by rapid increases in rent costs
- The likelihood of increased numbers of households accepted as being homelessness
- Changes to national policy and legislation likely - in the short term at least – to constrain the supply of social rented housing, and
- A shift in emphasis in homelessness policy towards use of resources to prevention.

3.2 They are also intended to provide more prompt, certain, affordable and sustainable outcomes for households and will be accompanied by a programme of support services for those involved.

3.3 **The Private Rented Offers Policy** is needed as a response to the continuing high levels of homeless acceptances in Westminster and the associated need for temporary accommodation, which currently costs the council £4.3m annually. If the policy is not adopted the annual cost of temporary accommodation could rise to £11.8m in 2020/21. It is therefore needed to contain temporary accommodation costs. It is also needed to help to improve outcomes for homeless households, as it is hoped that an offer of private rented housing will provide homeless households with more settled accommodation more quickly, compared to the very long waits they currently experience in temporary accommodation for social housing.

3.4 **The Accommodation Procurement Policy** is needed to respond to difficulties in procuring sufficient volumes of affordable private accommodation to meet demand. It includes an action plan to increase supply and to procure properties for private rented offers. The policy sets out principles the council will follow when procuring properties. These are needed to contain temporary accommodation

costs, as a key principle is that temporary accommodation procured is within allowable subsidy levels so is affordable to the council. These principles are also needed to ensure the properties procured are in suitable locations for homeless households and that they are affordable to them within benefit levels so they can be sustainable for them in the long term.

3.5 **The Accommodation Placement Policy** is needed because the future supply of private rented properties, both for private rented offers and for temporary accommodation, in Westminster and London, is likely to be limited – and that there is likely to be an increase in cost. As a result, there is a need to prioritise households for homes in locations in and near to Westminster that most need them. It is required to ensure that households are prioritised for accommodation in different locations in ways that take account of their needs.

4. Background, including Policy Context

4.1 The new homelessness policy framework has been developed in response to a number of factors:

4.2 Demand

There are currently 4,500 households which have priority for social housing in Westminster. Of these, 2,500 (55%) are homeless households living in temporary accommodation; and the remainder need to move for other urgent reasons. Before 2009/10, the number of new homelessness acceptances each year was falling; however, as table 1 below shows they rose in 2010 - largely due to welfare reform, as many households could no longer afford to live in the private rented sector in Westminster.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 (estimated)	2017/18 (estimated)
Homeless acceptances (households)	378	430	539	813	705	617	550	550	475 – 575
Households in temporary accommodation	1,957	1,726	1,910	2,450	2,283	2,397	2,400	2,500	2,300 – 2,700

4.3 The principal cause of homelessness continues to be the loss of private rented tenancies; currently 60% of homeless acceptances are due to this. Private rents in Westminster are amongst some of the most expensive in London¹ (and indeed the United Kingdom as a whole) and the majority of homeless households have low incomes - currently at least 92% receive Housing Benefit. As table 2 below shows there is a considerable gap between market rents and allowable Local Housing Allowance (LHA) benefit rates, which means landlords are able to secure higher returns from other kinds of tenants. These affordability problems are compounded by the overall benefit cap which restricts the overall benefit non working households can receive.

Beds	Single room	1	2	3	4
Lower quartile rents per week ²	£175	£365	£481	£675	£898
Central London LHA rate per week	£136.52	£260.64	£302.33	£354.46	£417.02
The overall benefit cap for non-working single people and couples is £296.35 per week and £442.31 per week for families in London					

4.4 In the medium term at least, homeless acceptances are projected to remain high, at around 550 each year, substantially due to the continuing impact of the reduced availability of housing affordable to households on low incomes. This is anticipated to continue due to:

- **The freezing of Local Housing Allowance for four years from April 2016.**
This means that Housing Benefit levels are likely to continue to fall behind actual rents. As table 2 shows, there is already a significant difference and this is likely to widen as landlords are able to get higher returns from private tenants with higher incomes.
- **The reduction of the overall benefit cap in Greater London** from £26k each year for couples and families to £23k (the reduction is from £18k to £15.4k for single people). For households that are already affected by the cap, this has applied from 7th November 2016; for new households it will apply from 9th January 2017. It is currently estimated that 900 households may be affected by the reduced cap in Westminster and that of these, 44% (403) are currently living in the private rented sector and 34% (310) are living in temporary accommodation.

¹ They are behind only Kensington and Chelsea and the City of London according to Hometrack in March 2016

² GLA Rents Map Information March 2016

4.5 Against this background, and in keeping with developing national policy, the council is doing everything it can to prevent homelessness in the first place. Section 8 describes how the Housing Options Service is being transformed to make homelessness prevention central to the new service.

4.6 Supply

4.7 Affordable housing supply

The supply of social housing in Westminster cannot keep pace with demand for it. Although there are 4,500 people waiting for social housing in Westminster (including homeless households), only 600 – 800 social rented homes become available for letting each year. These new homes come from new additional supply (newly developed or acquired homes) or from existing properties that become vacant. In common with other central London authorities, turnover of social housing is low and the scope for stepping up new supply to the extent that would be necessary to make up the shortfall is limited.

4.8 As was set out in the Housing Strategy Direction of Travel Statement (December 2015) the council is doing everything it can to develop more new affordable housing to meet demand for it. As table 3 shows, 665 new additional general needs social homes, 328 new additional specialist housing units (for older people and those with specialist needs) and 768 new additional intermediate homes are planned over the period 2017/18 to 2021/22. In addition 100 spot purchases are planned to be secured for affordable housing during this period. The council's ambitious regeneration programme will not only develop new additional homes, but will reconfigure the bedroom mix of some estates to provide a greater number of larger homes to meet demand.

Current pipeline	General Development Programme	Church Street Housing Zone	Regeneration programme	CityWest Homes infill	Total Affordable Housing
Social housing	132	88	76	26	322
Intermediate	193	39	207	0	439
Specialist housing	84	45	0	0	129
Spot Purchases	100				100
Uncertain pipeline (i.e. timescales still to be established)					
Social rented	133	81	129	0	343
Intermediate	220	83	26	0	329
Specialist housing	199	0	0	0	199

4.9 It is likely that the net supply of social housing may reduce, at least in the short term, due to requirements set out in the Housing and Planning Act 2016 and other national policy changes. The Act requires an annual payment to government based on the sale of higher value local authority vacant properties to help fund extension of the right to buy to housing association tenants. The number of vacant properties, that may need to be sold to meet the payment, is not yet known, but any sales will reduce social supply until these homes can be replaced (the Act requires that in London they should be replaced on a two for one basis but replacements do not necessarily need to be in the borough where they are sold, or with properties of the same tenure).

4.10 Social supply may also reduce due to the new housing association right to buy. On average c200 – 250 social lets each year come from housing associations. Although it is not known how many properties will be sold it is estimated that 120 homes could be sold each year in the first few years of the policy. Again there is

no requirement for replacements to be in the area where they are sold or with homes of the same tenure.

4.11 The Act also requires a certain proportion of new homes on development sites (to be set out in regulations, but initially proposed to be 20% of new homes) to be Starter Homes³ aimed at home ownership. This could reduce the supply of other more conventional forms of affordable housing which is currently provided through the planning system. There are indications that Government is considering changes to the policy so that starter homes include a wider range of housing products.

4.12 *Temporary accommodation supply*

High levels of demand for social housing and supply shortages result in more homeless households living in temporary accommodation which is illustrated by table 1 above. This market is becoming increasingly difficult and competitive in London and the South East as there is a shortage of properties that are affordable to homeless households within benefit levels and within the national temporary accommodation subsidy formula.

4.13 The scale of these problems is borne out by a recent report commissioned by London Councils⁴ and are further confirmed by independent research commissioned for the council in 2016 (Appendix 1). This report also highlights the limited procurement opportunities for temporary accommodation within the resources available, particularly for larger households affected by the overall benefit cap reduction. Despite these challenges, Westminster is doing everything it can to continue to procure temporary accommodation within Westminster and London, through a direct purchase scheme, agreements with over 30 suppliers and by participating in sub-regional initiatives. As a result, at present, Westminster continues to have half of its available temporary accommodation within the authority and use of emergency non self-contained accommodation for homeless households is very limited. However, in order to achieve this, more expensive emergency nightly booked accommodation is being used for longer periods after a housing duty has been accepted. This is helping to drive up the cost of temporary accommodation (although it should be noted that costs of longer term leased accommodation are also increasing).

³ These are homes for first time buyers which cannot be sold for more than £450k

⁴ Temporary Accommodation in London: Local Authorities under Pressure. February 2016. Julie Rugg University of York

4.14 The impact

4.15 The combined impact of the issues described above, are both financial and human.

4.16 *Financial impacts*

Temporary accommodation currently costs the council £4.3m each year. This is because the actual cost of providing accommodation for 2,500 homeless households is not covered by the subsidy provided through central government's subsidy formula⁵. The London Councils' report into temporary accommodation use and costs found that the net cost of temporary accommodation to London local authorities in 2014/15 amounted to £170m⁶.

4.17 *Human impacts*

Homeless households are spending an increasingly long period of time in temporary accommodation (which is mainly private rented housing with market rents) waiting for social housing. Depending on the size of property required, some of these waits can be very lengthy – and they are likely to become longer. As table 4 below shows, currently a household needing a two bedroom property can wait for ten years in temporary accommodation and those needing larger homes will wait even longer, sometimes up to 25 years.

Studio	1 bed	2 bed	3 bed	4+ bed
3 years	4 years	10 years	12.5 years	25 years

4.18 These long waits have a considerable impact on homeless households due to the temporary nature of this housing, which is likely to make it difficult for households to feel able to settle in an area and build up local links. This is exacerbated by the fact that households sometimes have to move several times within temporary accommodation, due to contracts with providers ending, or the property becoming too small for them. A small sample of households found that they moved on average three times in temporary accommodation before moving into social housing.

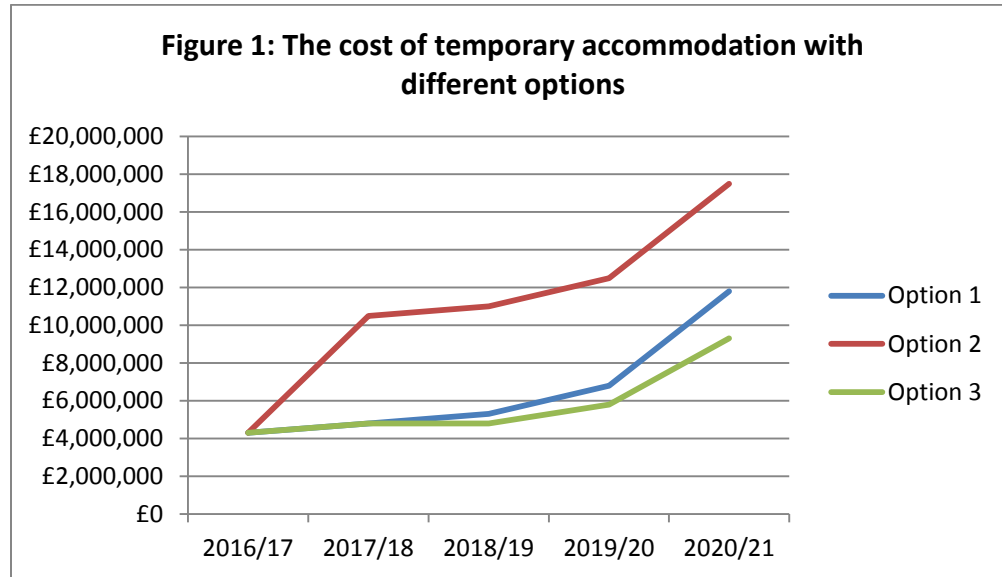
⁵ The income the council receives to cover temporary accommodation costs is through a formula set by government: 90% of 2011 Local Housing Allowance plus a management fee of £40 subject to bed size caps

⁶ Temporary Accommodation in London: Local Authorities under Pressure. February 2016. Julie Rugg University of York

4.19 At present, 50% of this temporary accommodation is already outside Westminster, and 3% is outside London. Moving back to Westminster after years in a different location is also likely to be disruptive.

5. Options

5.1 Three different options for potential responses to the issues outlined above have been considered and figure 1 below shows the cost of each.



5.2 **Option 1: Do Nothing**

As table 5 below shows, if no new approach is taken, the cost of temporary accommodation to the council could increase from £4.3m in 2016/17 to £11.8m in 2020/21 due to ongoing high demand, market conditions and national welfare and housing policy changes. Households would also continue to spend long periods of time in temporary accommodation waiting for social housing. Current trends in long-term affordability for homeless households will continue to decline and the scope to allocate resources for homelessness reduction would be limited. Given the wider medium-term budgetary challenges faced by the council (see paragraph 5.5) this approach would be financially unsustainable.

Table 5: The estimated cost of temporary accommodation if no new approach is taken (Option 1)

	2016/17	2017/18	2018/19	2019/20	2020/21
Base cost	£4.3m	£4.3m	£4.8m	£5.3m	£6.8m
Transfer to Universal Credit (This estimates that the council will lose £145 per week, per unit of temporary accommodation in borough, as the national subsidy formula changes from 90% of 2011 LHA levels to current levels, which are lower. The exact date of the transfer is unknown)	£0	£0	£0	£1.5m	£3.5m
Transfer to direct benefit payments for temporary accommodation households (The exact date is unknown)					£1.5m
Continuing high demand for temporary accommodation with income levels remaining the same and housing market costs increasing		£0.5	£0.5		
Cost	£4.3m	£4.8m	£5.3m	£6.8m	£11.8m

5.3 Option 2: Provide all temporary accommodation in Westminster

Paragraphs 4.12 – 4.13 above describe the difficulties of procuring temporary accommodation for homeless households in Westminster and London, within benefit levels and the national temporary accommodation subsidy formula. However legislation requires the council to offer households temporary accommodation in borough wherever it is “reasonably practicable” and it is recognised that there may be potentially negative impacts for households of moving outside Westminster (see Section 9). This option seeks to address these issues by assuming that all the temporary accommodation likely to be needed was secured within Westminster.

5.4 Table 6 estimates that if this option were adopted, the annual cost of temporary accommodation could rise from £4.3m per annum to £17.5m in 2020/21. This estimate assumes that market rents would need to be paid for temporary accommodation in Westminster, given the highly competitive local market which is considerably above LHA and subsidy levels. Adopting this approach would not impact on the length of waits in temporary accommodation and it would not provide accommodation that homeless households would be likely to be able to afford over time. It would also severely restrict the scale of resources that could be devoted to homelessness reduction. Again, the background of the wider medium-term budgetary challenges faced by the council means this approach would be financially unsustainable. It would, on the other hand, mean that all homeless households would remain in Westminster.

Table 6: The estimated cost of all temporary accommodation being provided in Westminster (Option 2)

	2016/17	2017/18	2018/19	2019/20	2020/21
Base cost	£4.3m	£4.3m	£4.8m	£5.3m	£6.8m
Transfer to Universal Credit (This estimates that the council will lose £145 per week, per unit of temporary accommodation in borough, as the national subsidy formula changes from 90% of 2011 LHA levels to current levels, which are lower. The exact date of the transfer is unknown)	£0	£0	£0	£1.5m	£3.5m
Transfer to direct benefit payments for temporary accommodation households					£1.5m
Continuing high demand for temporary accommodation with income levels remaining the same and housing market costs increasing		£0.5	£0.5		
Additional net cost of bringing in borough		£5.7m	£5.7m	£5.7m	£5.7m
Cost	£4.3m	£10.5m	£11m	£12.5m	£17.5m

5.5 Option 3: Develop a new policy framework

The council has faced significant financial challenges since 2010. These are expected to continue until at least 2019-2020, which means it has to examine every area of its operations and reduce costs in order to enable balanced budgets. There is a requirement to make savings of £117m up to end of 2018/19.

5.6 Table 7 shows that temporary accommodation costs are estimated to increase even with a new approach. The new policy framework, which is described in more detail in Section 6, therefore aims to contain temporary accommodation costs and prevent them from escalating further. The transfer to Universal Credit is estimated to have a significant impact on the cost of temporary accommodation. There is currently uncertainty over the timing and the nature of this transfer and the policies may need to be reviewed once more is known.

5.7 It is clear that if the council does not take action, the costs of providing temporary accommodation will certainly increase and will rise to an estimated £11.8m each year if policy remains as it is now, increasing to £17.5m if the council prioritises the provision of temporary accommodation in borough. The policy changes set out here offer a clear way to limit the increase in expenditure on temporary accommodation as shown in Option 3.

Table 7: The estimated cost of the new policy framework (Option 3)					
	2016/17	2017/18	2018/19	2019/20	2020/21
Base cost	£4.3m	£4.3m	£4.8m	£5.3m	£6.8m
Transfer to Universal Credit (This estimates that the council will lose £145 per week, per unit of temporary accommodation in borough, as the national subsidy formula changes from 90% of 2011 LHA levels to current levels, which are lower. The exact date of the transfer is unknown)	£0	£0	£0	£1.5m	£3.5m
Transfer to direct benefit payments for temporary accommodation households					£1.5m
Continuing high demand for temporary accommodation with income levels remaining the same and housing market costs increasing		£0.5	£0.5		
Impact of policy proposals			-£0.5m	-£1m	-£2.5m
Cost	£4.3m	£4.8m	£4.8m	£5.8m	£9.3m

6. The new homeless policy framework

6.1 A suite of new policies is now being proposed for adoption to address the issues involved:

6.2 (1) Private Rented Sector Offers Policy (Appendix 2)

This sets out that an offer of a private rented tenancy may be made to any homeless household where the law allows. It is important to state that the law requires that any accommodation offered is suitable. If the council is unable to procure a private rented tenancy that is suitable for the household, then such a tenancy will not be offered. In addition, the policy acknowledges that a private rented sector offer is not appropriate for everyone. It excludes households which the council determines would be unable to manage a private rented sector tenancy and for households needing sheltered or wheelchair accessible housing. In these cases social housing will continue to be offered.

6.3 In order for private rented offers to be affordable to homeless households within benefit levels (or as close as possible), many of these offers are likely to be outside London. Support will be offered to households relocating outside London and to other households where needed, in order to minimise adverse impacts and to enhance the prospects of relocated families integrating into the new area.

6.4 *Aims of the policy*

The policy aims to reduce temporary accommodation use and contain costs by offering homeless households private rented housing, as an alternative to them spending many years in temporary accommodation waiting for social housing. The policy also aims to help to improve outcomes for homeless households in that they will receive a more permanent offer of housing more quickly, in an area where they are able to settle and put down long-term roots. There are already cases where households have been moved successfully into private rented properties by the council on a voluntary basis of which examples are given below; this experience will be built on in implementing the proposed new policy.

Household A

A couple living in temporary accommodation were keen to move into a more settled home before the birth of their child. They did not want the uncertainty of a long wait for a social tenancy and worked with the council to find a suitable property in the private rented sector. A property was found in Brent and the couple moved in four months before their child was born, giving them time to settle in.

Household B

A family living temporary accommodation in Waltham Forest were happy in the area and had children at local schools. The council found a private rented tenancy for them and negotiated the rent with the landlord and a two year tenancy. They are now more settled in the area.

6.5 **(2) Accommodation Procurement Policy** (Appendix 3)

This policy responds to the current acute difficulties in procuring sufficient temporary accommodation within Westminster and London for homeless households. It provides an action plan for meeting demand and sets out procurement principles that will be followed for sourcing properties, both for temporary accommodation and for private rented sector offers.

6.6 *Aims of the policy*

The policy aims to provide enough housing for homeless households to meet demand. It aims to contain temporary accommodation costs by ensuring that supply is affordable to the council and within subsidy levels and this is a key procurement principle. The policy also aims to ensure that housing, for both temporary accommodation and for private rented offers, is affordable to low

income households and within benefit levels, so it is sustainable in the longer term. This means that some properties procured will be outside London.

- 6.7 Independent research (Appendix 1) commissioned for the council looked at the number of private rented properties that may be available to meet these objectives across a number of spatial zones. The research found very limited availability of affordable private rented properties in Westminster and London, particularly for properties with larger numbers of bedrooms suitable for households affected by the household benefit cap - although it does suggest that there may be some opportunities in specific postcodes (which it calls “micro markets”). Overall it found that within the South East, Slough and Maidenhead presented the best opportunities and further afield, Leicester, Birmingham and Coventry presented the best opportunities. However, the research found the supply of suitable properties (particularly larger ones) to be limited even in these areas.
- 6.8 The cost pressures identified by the council’s independent research have continued to intensify. The latest data from the Office for National Statistics’ (ONS) Index of Private Housing Rental Prices shows that in September 2016 rents in London were 2.7% higher year-on year (3% in the east of England and 3.5% in the South East). The ONS Index of Private Housing Rental Prices (which monitors changes since January 2011) for London rose from 120.4 in January 2016 (when the independent research was concluded) to 122.2 in September (for the East and South East the increases were from 109.2 to 111.1 and from 111.8 to 114.2 respectively)⁷. This evidence is supported by the council’s experience in procuring temporary accommodation.
- 6.9 The policy also aims to ensure that locations where properties are procured are suitable for homeless households. Key principles to this end are that where the council is procuring properties outside Greater London it will, as far as practicable, focus on more urban and diverse areas where there are more likely to be the health, educational, social and cultural facilities households from Westminster require; and on places where there are employment opportunities. It emphasises that every effort will be made to procure properties as close to Westminster and London as possible - and where this is not possible, within the South East.
- 6.10 A wrap around support service will be provided to households that are being made private rented offers where they are relocating outside London and where

⁷ <http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/sept2016>

they are moving within London where this is needed. Support might include a general introduction to an area, help to enrol children in schools, to find nursery places, register with GPs and to transfer any care or health services. Support to households moving into temporary accommodation outside London will also be provided as it is need and this will include employment support.

6.11 **The financial impact of these policies**

These new policies will have the effect of off-setting the impact of continuing high numbers of homeless households presenting to the council and the loss of supply through, for example, the sale of high value voids and extended right to buy and constraints on delivery of affordable provision through the planning system. The financial modelling in table 7 in Section 5 acknowledges that the new approach will take time to implement. In particular it is likely to take some time to identify sources of suitable and housing for affordable private rented housing in an increasingly expensive market whilst LHA is frozen. As a result, it is being assumed that the direct impact on the numbers in temporary accommodation and thus costs of temporary accommodation is likely to be limited during 2017. It is also noted that the levels of financial support required to secure such properties, through deposits and incentives, will be maintained at current levels and reviewed during 2017 to ensure they remain competitive.

6.12 During 2018/19 it is anticipated that the new approach (supported by the restructured Housing Options Service – see Section 8) will be embedded and numbers supported to move into the private sector will increase; in contrast to the ‘do nothing’ option described in paragraph 5.2 above this will enable costs to be better controlled and the net temporary accommodation budget to remain at under £5m until the transfer to Universal Credit takes place. Similarly from 2019/20 the learning from the implementation and management of the scheme should see further increases in numbers supported to move into the private sector (although clearly this will be dependent upon market conditions, LHA levels and any further changes in legislation) and potentially reductions in temporary accommodation spend.

6.13 It is very challenging to forecast beyond 2020, given the complexity of the external environment. It should be noted, however, that the introduction of Universal Credit, if applied directly to the government-set temporary accommodation subsidy regime, could result in a potential loss of income from temporary accommodation of £5m until 2020/21, and up to £7-9m up until 2021/22 - potentially rendering much of the available temporary accommodation in and close to the borough unaffordable for the council. This position will be kept under review and further policy announcements are made.

6.14 (3) Accommodation Placement Policy (Appendix 4)

One of the outcomes described above is that, while the council will continue to seek accommodation within Westminster wherever possible, more housing for homeless households is likely to be outside the City. This policy sets out how households will be prioritised for properties, both for private rented sector offers and for temporary accommodation, in different locations. Its key principle is to ensure that households are prioritised for accommodation in different areas in ways that prioritise those that have the greatest need for accommodation within a certain area. To a significant extent, this policy reflects the council's existing temporary accommodation placement policy, set out at section 15.2 of its allocations scheme. However, further detailed work has been done to define the criteria in harmony with the council's overall strategy. The placement policy does not seek to be an exhaustive statement of the factors that will be considered when offering accommodation in a particular location to a particular household. Any offer made is required by law to be suitable for the household, and this requires a decision based on the facts of the individual case.

6.15 *Aim of the policy*

The overriding aim of the policy is to ensure that households that have the greatest need to remain in or close to Westminster and London can do so. The Policy sets out the households that will be prioritised for properties in different bands:

- **Band 1: Westminster and adjacent boroughs.** Households prioritised for this band include those with a household member that receives certain kinds of care and support, and where risk would occur if they moved away from it. Some carers and foster carers, caring for Westminster residents, are also prioritised for this band.
- **Band 2: the rest of Greater London.** Households with children at key exam stages at schools in London and those with jobs in Westminster are prioritised for this band.
- **Band 3: Further afield** (this could be anywhere outside Greater London, although, where possible, areas within the South East will be prioritised for procurement by the council). Anyone not prioritised for any of the above bands could potentially be made an offer here.

7. Implementation of the new policy approach

7.1 The three new policies referred to in this report will be implemented from 30th January 2017.

8. The Transformation of the Housing Options Service

8.1 The new policy approach, described in Section 6, is part of a new overall approach to preventing and managing homelessness. This approach is in keeping with changes to national policy and the Homelessness Reduction Bill currently before Parliament. The transformation programme for the council's Housing Options Service will be implemented from October 2017 as the contract for its provision is re-let. As part of this a number of new approaches are currently being tested and evaluated, given the increasingly urgent need to respond to the growing pressures explained in this report. The learning from these will be used to shape the new service. They include:

- **Managing single homeless (the Single Person's Pathway).** This involves recognising the particular issues that affect single vulnerable homeless people, and brings together pathways and support that exist to support single vulnerable people who present to the Housing Options Services. This includes developing a homeless prevention plan which takes account of all their needs, including employment ones.
- **Preventing homelessness from council properties (the Family Sustainment Pilot).** This responds to the significant proportion of people who present as homeless from council properties, often due to a family crisis or because of lack of space. This pilot will work with 60 of these applicants to try and prevent their homelessness and where this is not possible, to help and support them to move into alternative accommodation, straight from the family home, so avoiding the need for temporary accommodation.
- **Housing advice in different locations.** This pilot aims to give earlier advice to those at risk of homelessness from different locations, such as the Portman Children's Centre. Learning from this pilot will be used to move towards a "no wrong front door" approach across the council, whereby homeless services can be provided in different locations and alongside other services, enabling a more holistic approach to addressing peoples' needs.
- **Private Rented Pathway.** This responds to the disruption homeless household's face due to having to move a number of times when they are homeless.

Properties will be procured in the South East as temporary accommodation and after six months the household will have the option of remaining there in the longer term (through a private rented sector offer). During the initial tenancy period advice will be given on schools, GPs, employment, training and other local services. More intensive support will be available if it is needed.

8.2 The new Housing Options Service will increasingly focus on early intervention and homeless prevention, aiming to reduce the need for temporary accommodation. There will be strong emphasis in the new service on:

- Support and mediation
- Direct interventions and negotiations with landlords
- Employment support
- Helping people that need a home to make their own decisions
- Digital services and online advice that encourages greater self-service
- Partnership working.

8.3 Services for single people and families will be separated, as they often have different needs. Also services which focus on procuring properties will be separated from those which provide a direct service to people so they can be provided by organisations with the necessary specialist skills.

9. Equality Implications

9.1 An Equality Impact Assessment (EIA) is attached at Appendix 5. The EIA identifies that certain groups are more likely to be affected by the policies, as they are more likely to present themselves to the council as homeless, these group are:

- Black, Arab, Asian and Other ethnic groups
- The 25-44 age group (this group is also more likely to have children)
- Women
- Households with children/pregnant women
- Children
- Lone parents
- Low income households.

9.2 The EIA identified that some households might be disproportionately affected by the negative impacts of the policies particularly with regards to accommodation being outside Westminster. The care and support provided to disabled people might for example be disrupted if they had to move outside Westminster. People with children and lone parents in particular, who are more likely to be women, could also be potentially be negatively affected as they are more likely to rely on

local support networks for child care arrangements. Children's education could also be disrupted, particularly if they were at key exam stages and children being supported by family services could be particularly affected.

- 9.3 Although older people eligible for community supportive housing will be exempt from being made private rented offers, they may need to live in temporary accommodation outside Westminster until a property is available. They may be potentially negatively impacted by this as they may be more likely to have long established links to the local area and also to receive care and support packages, which would need to be transferred if they moved away. Also older people may be more likely to receive informal support, possibly from family members, which might be harder to sustain at a distance. Older people are, however, relatively underrepresented among homeless households' lead applicants.
- 9.4 Some households from different ethnic backgrounds might also be potentially negatively affected if the locations where properties are located are not as diverse as Westminster and London and don't include the same cultural facilities and places of worship.
- 9.5 The EIA also identified that prioritising some working households for properties in band 2, in order to support those in work to sustain their employment, might at the same time, negatively impact households that are less likely to be working, or able to work, such as: those with members with disabilities; lone parents; and people where English is not their first language – given that the supply of properties in this band is likely to be limited. To help mitigate this, the council is working with 500 – 600 homeless households over the next two years to help them into employment and to reduce the barriers that can prevent them from working. It is acknowledged that this potentially negative impact cannot be fully mitigated however but the policies are considered justified, as if working households were not supported to retain their employment, this in itself could lead to homelessness and overall homeless households are less likely to be working compared with other tenures.
- 9.6 In addition, one consequence of the increased use of private rented sector offers will be that households receiving such an offer will lose their homeless priority for an allocation of social housing. However remote the possibility of obtaining social housing in short to medium term may be for some households, losing this opportunity will be seen as a negative impact by some. Those groups which are

disproportionately represented within homeless applicants are therefore likely to be disproportionately affected by this consequence.

- 9.7 Having identified a range of potentially negative impacts, the policies were adapted to help mitigate them. The Accommodation Placement Policy prioritises households for properties in Westminster and London in line with their needs; the overall intention is that those with the greatest needs remain in or as close to Westminster as possible.
- 9.8 Examples of these mitigations include prioritising children with special educational needs, households that are working intensively with family services and households where at least one member is receiving certain support, for accommodation in Westminster or an adjacent borough. Other mitigation measures to address negative impacts include; identifying children as a group whose needs must be considered in relation to the implementation of these policies in line with the Children Act 2004; procuring properties where possible within the South East (so households can retain links to Westminster and London); and procuring properties in areas, where possible, which reflect the diversity of Westminster and London.
- 9.9 A further mitigation measure, against the potentially disproportionate impact on certain households of moving away from Westminster and London, is the availability of tailored resettlement support. This may include a general introduction to an area, help to register children in schools and help to transfer care and support.
- 9.10 Overall the EIA concludes that not all of the potentially negative impacts on households can be mitigated, but that equality implications have been fully considered and that the policy approach does not constitute direct discrimination. The Cabinet Member is required to consider the potentially negative impacts on protected groups and whether these impacts are justified by the council's wider objectives in implementing the policies. The impact of the policies and in particular the equality impact of the policies will in any event be kept under regular review.

10. Financial Implications

- 10.1 Section 5 sets out the cost of different options. This paper recognises that a new policy approach is required to address the long term affordability of housing solutions for households within temporary accommodation, as the impact of government policies upon both supply and demand make the current temporary accommodation solutions unaffordable for the council and unsustainable for homeless households.
- 10.2 Further information about the financial impact of the new policy approach is in 6.11 – 6.13.
- 10.3 The costs of the new policy approach within this transformational programme will be contained within the current Medium Term Planning budget envelope and full specific resourcing decisions will be taken through the annual budget setting process.

11. Legal Implications

- 11.1 Where the council determines under the provisions of the Housing Act 1996 Part VII (as amended) that a person/household is eligible for assistance, homeless, in priority need and not homeless intentionally, it has a duty to secure suitable accommodation (unless it refers the applicant to another authority under the local connection provisions): s193(2), s206(1). The suitability of accommodation is governed by s210 of the 1996 Act, the Homelessness (Suitability of Accommodation) Order 1996 (SI 1996/3204) and by the Homelessness Code of Guidance for Local Authorities.
- 11.2 When discharging their housing duties under Part VII, an authority must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act.
- 11.3 The Localism Act 2011, in force in England on 9 November 2012, introduced provision for the council to discharge its housing duty to statutory homeless households by offering a tenancy in the private rented sector. Any private rented sector offer must be suitable and must comply with the provisions of the Homelessness (Suitability of Accommodation) Order 1996.
- 11.4 The council is also under a general duty, pursuant to s11 Children Act 2004, to have regard to the need to safeguard and promote the welfare of children within their area. The council embraces the ethos of joint working between housing,

care and support services in the Care Act 2014 and seeks to support and promote the needs of homeless households with vulnerable persons and/or carers.

- 11.5 As a public authority, the council must take account of the provisions of the Human Rights Act 1998 and not act in a way which is incompatible with a Convention right. Under Article 8, any interference with the right to respect for a person's private and family life and home must be proportionate and Article 14 requires that there must be no unjustified discrimination within the scope of human rights on any grounds, such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth, or other status.
- 11.6 In discharging its functions to homeless persons, the council must also have due regard to the Public Sector Equality Duty in s149 Equality Act 2010. S149(1) provides that, in exercising its functions, a public authority must have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the 2010 Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. S149(3) provides that having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. S149(4) provides that the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities. Section 149(6) provides that compliance with the duties in section 149 may involve treating some persons more favourably than others. By s149(7) the relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Reference should also be made to section 9 above concerning Equality Implications.

11.7 In *Nzolameso v Westminster City Council* (April 2015) the Supreme Court held that, whilst it is lawful to provide accommodation outside an authority's boundaries in proper observance of its housing duties, it must be able to explain, preferably by way of published policies, how allocations of temporary accommodation outside of district are made and outline the council's approach to procuring accommodation. The policies seek to afford transparency to accepted homeless applicants as to the process the council shall engage in order to lawfully discharge its accommodation duties, whilst noting that it shall in each case make specific assessments of the needs of individual applicants/households.

11.8 The policies herein have been reviewed by Counsel.

12. Risk Management Implications

12.1 There is a risk that there will be limited affordable private rented properties to meet the needs of homeless households. While the independent research gives an indication of different locations where properties may be available, market changes can happen quickly and the actual availability of properties depends on the willingness of landlords to let accommodation to homeless households. To mitigate this risk, incentives will continue to be offered to landlords to secure properties in line with local market intelligence. The supply and availability of properties will be kept under review but it needs to be noted that building up supply to meet demand is likely to take time.

12.2 There is a risk of legal challenges where offers are outside Westminster and London. To minimise this, an individual suitability assessment will be carried out before an offer is made in line with legislation and statutory guidance. Counsel's advice has been taken on the preparation of the policies.

12.3 There is also a risk that the new policy approach may not contain temporary accommodation costs, particularly if there are changes to councils rehousing responsibilities under the Homelessness Reduction Bill which is currently before Parliament. To mitigate this risk, the implications of the Bill and its progress will be kept under review.

13. Consultation

13.1 The council signalled its intention to make more private rented sector offers to homeless households in its draft Housing Strategy which was consulted on in

2015. This intention was also set out in the Housing Strategy Direction of Travel Statement published in December 2015.

- 13.2 The policies have been developed in conjunction with officers from Adult Social Care and Children's Services. Proposals were also discussed with the Service Improvement Group, which includes households currently living in temporary accommodation and who would be affected by the policy.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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BACKGROUND PAPERS

2016/17 to 2019/20 Budget and Council Tax Report

<http://committees.westminster.gov.uk/documents/b12086/Budget%20and%20Council%20Tax%20Report%20Including%20Appendix%20A%2002nd-Mar-2016%2019.00%20Council.pdf?T=9>

Westminster Housing Strategy Direction of Travel Statement December 2015

<http://committees.westminster.gov.uk/documents/s16334/Cabinet%20Member%20report.pdf>

Westminster Draft Housing Strategy for Consultation 2015

<https://www.westminster.gov.uk/housing-strategies>

For completion by the **Cabinet Member for Housing, Regeneration, Business and Economic Development**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Daniel Astaire, Cabinet Member for Housing, Regeneration, Business and Economic Development**

State nature of interest if any

.....

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Homelessness Policies** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Daniel Astaire, Cabinet Member for Housing, Regeneration, Business and Economic Development

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....

.....

.....

.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Appendix A

Other Implications

1. Resources Implications

- 1.1 The costs of the initiatives within this transformational programme will be contained within the current Medium Term Planning budget envelope and full specific resourcing decisions will be taken through the annual budget setting process.

2. Business Plan Implications

- 2.1 Developing a new homeless policy framework is an objective of the Business Plan for Growth, Planning and Housing 2016/17.

3. Health and Wellbeing Impact Assessment including Health and Safety Implications

- 3.1 All properties procured for private rented sector offers will be free from category 1 hazards. This means they will be free of “hazards” which could cause harm to the occupants and this will be assessed through the Housing Health and Safety Rating System which is a risk based tool introduced by the Housing Act 2004.
- 3.2 An individual assessment will be carried out for each household before an offer is made to ensure it is suitable. The Accommodation Placement Policy also ensures that households will be prioritised for properties in Westminster and adjacent boroughs in some circumstances to avoid a negative impact on their health.
- 3.3 Households relocating outside London will also receive support in line with their needs and this could include support to register with a GP and to transfer any health, care and support packages.

4. Crime and Disorder Implications

- 4.1 There are no Crime and Disorder Implications.

5. Impact on the Environment

- 5.1 There are no Environmental Implications.

6. Staffing Implications

6.1 There are no Staffing Implications.

7. Human Rights Implications

7.1 The Human Rights Act 1998 has been considered in the development of this` policy framework, in particular Article 8 (respect for private and family life) and Article 14 (protection from discrimination). The Equalities Impact Assessment (see Section 9 in the main body of the report), in particular, identifies the changes that have been made to the policies to mitigate any potential negative impacts and includes an action plan to monitor the impact of the implementation on groups with protected characteristics.

8. Energy Measure Implications

8.1 There are no Energy Measure Implications.

9 Communications Implications

9.1 Training and information sessions will be run for staff directly involved in delivering the policies. Other staff will also be briefed on the policies.

9.2 Households that are accepted as homeless, where the law allows it, are already informed that they may receive an offer of private rented accommodation. Households that are actually being made private rented offers will receive information, in an accessible format, explaining the reason for the offer and outlining the support and information they will receive.

9.3 Local authorities are already advised when a household moves into temporary accommodation in their area. Where private rented properties are procured in significant numbers in locations outside London, a letter will be sent to the local authority informing them of this, explaining the council's policy and setting out the support that will be offered to relocating households.

9.4 Further information, including the policies, will be published on the council's website and relevant stakeholders will be informed about the changes, as necessary.