

Appendix B Homelessness Accommodation Procurement Strategy

1. Introduction

- 1.1 Tower Hamlets, along with the rest of London, is facing an unprecedented housing crisis. Homelessness has increased and remains extremely high across London.
- 1.2 The Supreme Court judgment in the case of *Nzolameso v Westminster City Council* required local authorities to have “a policy for procuring sufficient units of temporary accommodation”, and that secondly that, “each local authority should have and keep up to date, a policy for allocating those units to individual homeless households.”
- 1.3 This strategy has been developed to meet the statutory duties and obligations owed by the council to homeless households under both the Housing Act (1996) and the Childrens Act (2004), including the discharge of our duties under the Homelessness Reduction Act (2017)

2. Purpose

- 2.1 The Homelessness Accommodation Procurement Strategy sets out how the council will procure a sufficient supply of temporary and privately rented sector accommodation to meet the demand for homeless households under the relevant legislation.
- 2.2 The strategy provides the council’s principles for meeting demand and cites the procurement activities that will be followed to procure a sufficient supply of accommodation.
- 2.3 It will guide the Housing Options Accommodation Procurement Team to ensure that suitable accommodation is procured for homeless households to prevent and relieve homelessness.
- 2.4 This strategy is to be used in conjunction with the ‘Homelessness Accommodation Placement Policy.’

3. Background and Context

- 3.1 The council has a statutory duty to provide temporary accommodation as emergency housing for homeless households where a homelessness duty may be owed.
- 3.2 Temporary accommodation takes two forms – In the first instance, it is emergency, emergency accommodation (called stage 1), for use during the relief stage of homelessness and while a household’s homeless application is being assessed.
- 3.3 The second type of temporary accommodation is longer-term, (stage 2). This accommodation is for households where the council has accepted a

housing duty to them and is provided until a household is rehoused into a final offer of long-term settled accommodation.

- 3.4 Stage 1 accommodation may be 'nightly booked' as it is only intended to be for short periods and it may be more expensive than longer-term Stage 2 accommodation
- 3.5 The council has arrangements to secure accommodation from landlords, property agencies and developers in addition to its own stock and also obtains accommodation from partner registered providers (housing associations) to provide Stage 2 accommodation. In addition to these leased forms of accommodation, the council makes Private rented sector offers ("PRSOs") to homeless households where it has accepted a housing duty to them to provide private rented accommodation on an Assured Shorthold Tenancy. The Localism Act 2017 allows the council to make these offers to provide households with sustainable, affordable, and more settled accommodation to reduce the burden of lengthy waits in temporary accommodation for social housing which can be a number of years.

4. **Principles of Procurement**

- 4.1 The council will apply the following principles in its approach to the procurement of both temporary and private rent sector offers to meet its statutory duties and obligations owed to homeless households.
 - The council will act to ensure accommodation is compliant with all relevant legal obligations and have regard to all relevant legal guidance.
 - The properties procured need to be affordable and sustainable in the longer term to the households that occupy them, so they are within affordability levels and temporary accommodation subsidy rates. This will give homeless households the lowest likelihood of being unable to pay the rent or of having to move again.
 - The properties offered to households will be suitable, compliant with health and safety specifications and be in reasonable condition.
 - The affordability of properties will be a key factor when procuring properties. Where possible (given market forces) properties should be within allowable subsidy rates or benefit levels to meet budgetary targets and therefore cost neutral to the council.
 - Where the council is procuring properties outside Greater London it will, as far as possible, focus on urban areas whose diversity so far as practicable reflects that of Tower Hamlets and so are likely to have more facilities and support networks for people from Tower Hamlets with protected characteristics.

Evidence of the scope and range of employment opportunities and the quality of local schools will also be considered.

5 Checks to be undertaken in the procurement of accommodation.

5.1 When procuring settled accommodation in the private sector, inspections or virtual inspections will be conducted if possible. This assessment aims to determine the suitability of the property and its alignment with our requirements, ensuring compliance with Article 3 of the Homelessness Suitability of Accommodation (England) Order 2012. Additionally, all relevant legislation, such as the Housing Health & Rating System (HHSRS) and the Homes (Fitness for Human Habitation) Act 2018 (HFHHA), will be taken into account. If an inspection is not undertaken, alternative methods such as assessing the condition of the property using a completed inspection report and photos may be utilised to satisfy requirements.

5.2 Where a license is required to let a property, the council will ensure that all due diligence has taken place, including but not limited to, ensuring that the appropriate licenses are in place and that checks are made with the local authority where the property is located in.

5.3 In areas with suitable ample available accommodation is available, we'll conduct the necessary checks and provide essential information, as outlined in our Homelessness Accommodation Placement Policy (refer to paragraphs 3.1-3.3 and 6). This includes:

- Local amenities information being provided.
- Guidance on GP registration
- How to apply for a school placement
- Ensuring reasonable transportation links to the borough are available

6 Legislative Framework

6.1 The local authority has a statutory duty to provide suitable temporary accommodation for homeless households in accordance Part VII of the Housing Act (1996) and the Homelessness (suitability of accommodation) (England) Order 2012.

6.2 Following the case of *Nzolamesco v Westminster* in 2015, additional guidance has been issued. The Supreme Court held that where local authorities offer accommodation outside of their own district in discharge of their duties under Part VII of the Housing Act 1996, they must explain, ideally by published policies, the choices that have been made and why.

6.3 This strategy, will sit alongside the Homelessness Accommodation Placement Policy 2024 and will have adherence to the following legislation and case law:

Housing Act (1996), Part 7.

Homelessness Reduction Act (2017).

Homelessness Code of Guidance for local authorities, particularly 'Chapter 17: Suitability of Accommodation'.

The Homelessness (Suitability of Accommodation) (England) Order (2012).

The Equality Act 2010

The Localism Act 2011

The Children Act 2004

Domestic Abuse Act 2021

The Homelessness (Suitability of Accommodation) Order 2012

Relevant case law relating to affordability of accommodation in relation to suitability– notably, but not exclusively, the judgement of the Supreme Court in the case of *Samuels v Birmingham City Council* (2019).

Travel to school for children of compulsory age 'Department for Education Statutory Guidance for Local Authorities'.

7 Monitoring and review of this strategy

7.1 This strategy will be subject to review from time to time, for example, when there has been a change in legislation or where the demand for accommodation has substantially changed.

7.2 An Action Plan is set out in Appendix 1 providing specific initiatives which officers will undertake over the course of the next 2 years for procuring temporary and private rented sector in line with the procurement strategy

Action	By when
Set temporary accommodation (private licensed accommodation (PLA) nightly paid (NP) section 106) rents at the 2024/25 local housing allowance to ensure that rents are affordable	February 2024
Hold more landlord forums and open days, to build new partnerships and increase supply. This includes online campaigns	September 2024 January 2025
Submit 'Exit B&B action plan' to DLUCH	July 2024
Review the incentives and rents paid to landlords, keeping up with the market demands. Implement a competitive rent incentive package. These packages may include various incentives for landlords, including covering the difference between the local housing allowance rate and the private market rent, when feasible to do so.	July 2024 (Quarterly reviews)
Carry out cross-regional work with other Local Authorities including Registered Social Landlords (RSL's) to pool resources to jointly procure accommodation with greater influence and efficiency.	July 2024
Review all current temporary accommodation lease agreements between the council and accommodation suppliers, to place more onus on the landlord to get repairs done, with a mechanism embedded to carry out repairs when the landlord does not and recharge the landlord directly by making a deduction to their monthly payment.	October 2024
Engage with a range of established larger stakeholders who procure volume quantities of accommodation which is then leased to the council to use as private rented sector accommodation, therefore, enabling the council to discharge its homelessness duties.	October 2024
Identify opportunities for existing council or community assets to be repurposed for temporary accommodation	December 2024
Partner with the council's Energy Sustainment Team to offer energy incentives to landlords in return for longer leases, of up to 5 years.	December 2024
Partner with the council's Private Housing Improvement Team to secure funding to carry out adaptations on properties acquired through the council's acquisition scheme to meet the needs of households that would benefit from adapted properties.	December 2024
Develop an in-house property management team (subject to finance's and demand) to act as a central hub for all temporary and private rented sector procurement, acting as an accommodation management service on behalf of landlords and providing full housing management and repairs services, this could include rebranding the current team and working cross directorate with other services, including Children's Social Care (CSC) and Adult Social Care (ASC)	March 2025
Carry out cross-regional work with other Local Authorities who have procured in LBTH, and whereby LBTH have procured in their district to explore stock swaps	April 2025
Acquire/purchase homes for temporary accommodation use via grant funding routes such as CHAPS and LAHF which the council has bid for.	April 2026
Acquire properties under the Council Acquisition Program – this is interdependent with the Housing Supply Team	December 2024

