

**Homelessness**

**Scrutiny Challenge Session Report**



**London Borough of Tower Hamlets  
May 2016**

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## **Chair's Foreword**

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Homelessness is a growing problem, more and more people face the prospect of living in cramped conditions such as bed & breakfast and hostels shared with strangers, unsuitable private rented sector properties or just simply sofa surfing with their friends or relatives. Homelessness is due to a number of factors including: reforms to the welfare system, the austerity measures of the current government, rising house prices, rent and fees, and the national housing shortage leading to unaffordability of homes. All of these factors mean that there is significant pressure on the Council to accommodate families in temporary accommodation, while they wait for an offer of a home.

This report considers the evidence gathered in a scrutiny challenge session on homelessness and in-depth interviews with Council officers in the Housing Options Service (HOS). The report reviews the specific policy documents which govern the HOS's aims and objectives in this area. It considers why the borough has been in the top ten authorities for the use of temporary accommodation over the course of the year, as well as scrutinising how it plans to meet the demand for accommodation. It also examines the Council's use of Bed & Breakfast placements over the statutory six week limitation period for families with dependents/pregnant women.

The report makes a series of recommendations which ensure that the service: strengthens the protection of homeless households, implements and publicises policy, adequately plans for the demand and supply of accommodation, is transparent and accountable, and further improves the customer experiences of homeless applicants. It gives the HOS impetus to clarify its approach to how it will deliver its objectives and work with partners to tackle the issues raised in the report.

It is important as Members we hold the Council to account and that it takes steps to improve, where possible, outcomes for the homeless, especially in moving homeless people on to settled accommodation as quickly as possible. It is also more important than ever that the Council and its partners work effectively together to address the rise in homelessness. I hope that this scrutiny challenge session report raises the profile of these issues and focuses our minds towards action.

### **Councillor Helal Uddin**

Scrutiny Lead Member for Development & Renewal

## **Summary of Recommendations**

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- 1** – Improvements highlighted in this report in relation to the Homelessness Statement and Action Plan should be incorporated into the new overarching Housing Strategy to be signed off by the Mayor and Full Council.
- 2** - Review existing partnership arrangements and objectives on homelessness, and strengthen joint working in order to respond to threats and demands.
- 3** - The Mayor and Lead Member should undertake a rolling programme of unannounced visits to all the B&Bs and hostels used as both emergency accommodation for homeless families and single people.
- 4** - Housing Options Service on a quarterly basis publish in the Members' Bulletin B&B placements data including the number of unlawful placements.
- 5** – The P1E return needs to be available in a reader friendly format on the Council website and intranet.
- 6** - The Mayor should not authorise officers to discharge the Council's main homelessness duty through a Private Rented Sector offer.
- 7** - Develop and publicise a plan to meet the demands on temporary accommodation.
- 8** - Ensure the future strategy on homelessness adopts an approach to limiting the use of bed & breakfast for families.
- 9** - A summary of all those cases in which a family with children or vulnerable single person has been deemed intentionally homeless should be reported monthly to the Mayor and Lead Member.
- 10** - Implement a package of support for families placed out of borough in order to help households settle into a new borough.
- 11** - Ensure that the policy for determining the suitability of temporary accommodation/private rented sector offers is published and publicly available on the Council's website and intranet site.
- 12** - Explore the potential of prioritising a move back to the borough for homeless families who have been placed out of borough for a long period of time when local temporary accommodation becomes available, which is consistent with the Council's legal duties.

**13** - Create awareness amongst hard to engage Registered Providers (RP) on the implications of evictions, and explore what is required to engage with RPs on evictions, including sharing the analysis with all RPs of tenant engagement work undertaken with Poplar Harca on rent arrears and evictions.

**14** - Explore customer empathy training for relevant front line staff in the wider Housing Options Advice Service.

**15** - Consider a mentoring scheme between HOST trained frontline staff and frontline staff in the wider Housing Options Advice Service.

**16** - Undertake an analysis of the recommendations identified in the diagnostic peer review report and implement those that would benefit the service.

**17** - A future full scrutiny review looks into homelessness.

## 1. Introduction

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1 As part of its work programme for 2015/16 Overview & Scrutiny Committee agreed that it would hold a challenge session on homelessness which was led by Councillor Helal Uddin (Scrutiny Lead Development & Renewal)

1.1 The scrutiny challenge session took the format of an evening meeting which was held at the Town Hall. The session was attended by (referred to as the Panel):

<b>Cllr Helal Uddin</b>	Chair, Scrutiny Lead for Development & Renewal
<b>Cllr Marc Francis</b>	Councillor, Ward Bow East
<b>Cllr Sirajul Islam</b>	Lead Member for Housing & Deputy Mayor
<b>Cllr Khales Uddin</b>	Councillor, Ward Bromley North
<b>Dr Phillip Rice</b>	O&S member, Church of England Diocese
<b>Gary Messenger</b>	Head of Strategy & Partnerships, Homeless Link
<b>Janet Slater</b>	Service Manager Housing Options
<b>Lorraine Douglas</b>	Service Manager Housing Options & Procurement
<b>Martin Ling</b>	Strategic Housing Manager
<b>Kath Dane</b>	Street Population Co-ordinator
<b>Susmita Sen</b>	Chief Executive of Tower Hamlets Homes
<b>Keith Greer</b>	Regional Manager, Homelessness Unit, Salvation Army
<b>Lisa Iglesias</b>	Head of Strategy & Service Development, Praxis
<b>Muhibul Hoque</b>	Strategy, Policy and Performance Officer

1.2 The agenda for the session included an introduction to the key issues under review followed by presentations on the overall picture of homelessness nationally, local context and pressures, detail on Council services and how they are responding to those pressures.

1.3 The session considered four core issues;

- a) Use of bed & breakfast accommodation by the Council for families with dependent children and pregnant women over the six week statutory period;
- b) The long term viability of moving away from B&B placements;
- c) The impact of the Councils' prevention work as well as the action plan related to the homelessness statement (including the achievements of this action plan, the monitoring arrangements and the lessons learned); and
- d) How the customer satisfaction of homeless applicants could be improved further regardless of whether the service owes a statutory duty.

## 2. Statutory and Policy Context

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- 2.1 People become homeless because they are unable to find a home for a number of reasons, e.g. ending of a tenancy, unaffordable rent and fees, lack of access to social housing, and health and social issues; and therefore as the last resort have to seek state assistance.
- 2.1 The Council supports a number of different types of homeless applicants: they include families, singles or couples, those with mental health issues, people with disabilities, those leaving the prison system and those with any other factors which make them vulnerable. The Council mainly supports people it owes a homelessness duty to<sup>1</sup> but sometimes it may assist singles and couples who it does not owe a homeless duty.
- 2.2 Where a main duty is owed, the Council must ensure that suitable accommodation is available for the applicant. This could be from a range of short term temporary accommodation that is available, discussed below.
- 2.3 Usually when there is a shortage of housing the Council will place homeless people in temporary accommodation until an offer of a settled accommodation is available. The applicant can be expected to pay rent during this time. The accommodation should be suitable and provides the applicant accommodation while they wait.
- 2.4 The different types of accommodation used are:
- Hostels and bed & breakfasts (B&B) – families normally share a single room, usually sharing bathroom and kitchen facilities with strangers.
  - Private Rented Sector Offers (PRS) – accommodation owned by private landlords rented out directly by the landlord to homeless applicants who have agreed to accept a PRSO to prevent homelessness or to discharge the homelessness duty.
  - Private Licenced Accommodation (PLA) – accommodation taken on a 28-day rolling ‘Head’ licence by the authority from a private landlord or Managing Agent, which is then offered to homeless applicants.
  - Nightly Paid Accommodation (NPA) - private sector property rented out on a nightly basis, which is self-contained (not shared with anyone).

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<sup>1</sup> In order to be considered as statutory homeless a number of conditions must be met: 1) *The applicant must be 'eligible for public funds' (this will depend on the applicant's immigration status), 2) have some sort of connection to the area covered by the local authority, known as a 'local connection', 3) can prove that the applicant is 'unintentionally homeless' (that it is not the applicant's fault that they became homeless), 4) can prove the applicant is in 'priority need' (pregnant women, dependent children, vulnerable e.g. elderly/mental health, those facing emergency homelessness as a result of flood, fire, or other disaster, aged 16 or 17, aged 21 and have left LA care, vulnerable as a result of leaving the armed forces, prison, fleeing domestic violence. Homelessness Act 2002*

- A relatively small number of properties taken on a 5-year lease, let out to homeless applicants
  - Housing Association Leasehold Scheme (HALS); a relatively small number of leased properties let and managed by a Registered Provider to homeless households nominated by the Council.
  - Non-secure tenancies – properties let to homeless applicants from with the Council’s or Registered Providers’ stock – normally properties designated for regeneration.
- 2.5 The Council has to take a number of things into account when it decides whether the accommodation is suitable:
- how much rent the tenant can afford to pay
  - the condition of the accommodation
  - whether it is the right size for the tenant’s household
  - where the accommodation is and the extent of disruption to
  - any health-care needs the tenant or their families may have
  - social and welfare factors (such as whether the tenant needs to be close to support services, family or special needs schools).
- 2.6 The duty continues until a settled housing solution becomes available. This could be an offer of social housing, or some other circumstance brings the duty to an end. For example if a homelessness applicant refuses to accept an offer of a suitable temporary accommodation that would meet their homelessness needs in the short term.
- 2.7 Where households are found to be intentionally homeless, or not in priority need, the authority must make an assessment of their housing needs and provide advice and assistance to help them find accommodation for themselves.
- 2.8 The Housing Act 1977, Housing Act 1996, and the Homelessness Act 2002, placed statutory duties on local housing authorities to ensure that advice and assistance to households who are homeless or threatened with homelessness is available free of charge.
- 2.9 The Homelessness (Suitability of Accommodation) (England) Order 2003 and the Homelessness Code of Guidance placed a six week limitation on local authorities placing families with dependents or pregnant women in bed & breakfast (B&B) accommodation. Councils that break this legislation are at risk and open to judicial review and to Local Authority Ombudsman rulings on maladministration. In 2013 Birmingham City Council were fined nearly £4000 for placing a woman and her four children in a B&B for more than four months. The Ombudsman stated: *An inappropriate use of B&B accommodation by Councils to house people is a trend we are noticing, so we want other*

*Councils to be aware that government guidance is clear that it is an unsuitable long-term option for families”<sup>2</sup>.*

- 2.10 There is a statutory duty on every Local Authority to have a Homelessness Strategy which sets out the local authority’s plans for the prevention of homelessness and for securing that sufficient accommodation and support are, or will be, available for people who become homeless or who are at risk of becoming so. The Council must ensure that all partners whose work can help to prevent homelessness and meet the needs of homeless people are involved in the strategy.
- 2.11 The Localism Act 2011 introduced important reforms to social housing and homelessness. The Act allows councils to permanently discharge their homelessness duty by making available suitable accommodation in the private rented sector. It also permits councils to develop their own allocations procedures and introduces fixed-term tenancies for social housing providers to offer social tenants, including a minimum tenancy of five years. The purpose of these changes was to give local authorities more scope to place homeless households in private rented homes, increasing the options for placements.
- 2.12 The Council has six key documents which outline its policy in this area. These include:
- The Homelessness Statement
  - The Older Persons Housing Statement
  - The Overcrowding and Under Occupation Statement
  - The Private Sector Housing Renewal and Empty Properties Policy Framework
  - The Tenancy Strategy, and
  - The Tower Hamlets Allocation Scheme
- 2.13 The challenge session focused particularly on the Homelessness Statement. The Council and its partners produced a Homelessness Statement for the period 2013-2017 and an action plan focused on a number of priority themes. It aims to ensure that local services are best placed to continue to tackle and prevent homelessness by focusing on four key themes:
- Homeless prevention and tackling the causes of homelessness;
  - Access to affordable housing options;
  - Children, families and young people; and
  - Vulnerable adults.

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<sup>2</sup> <http://www.insidehousing.co.uk/council-fined-for-housing-family-in-bb-for-weeks/6527290.article>

### **3. National Context**

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- 3.1 Homelessness is rising in England, as approximately 55,000 households were accepted as homeless in 2015 - an increase of 15,000 since 2010 (40,000). 30% of acceptances were due to the ending of an assured short-hold tenancy (AST).
- 3.2 The numbers in temporary accommodation has risen. For example in 2015 numbers of people in temporary accommodation reached approximately 68,500 compared to 50,000 in 2010, a rise of 18,500. This demonstrates significant pressures on temporary accommodation in England.
- 3.3 Of those in temporary accommodation, at present approximately 6000 households were placed in B&B, of which 3000 were families. This is compared to 660 families in B&B in 2010. This has significant implications for those families due to the quality of such accommodation, which impacts on their social well-being, health and education, especially where dependants are involved. This also results in increased costs for local authorities.
- 3.4 In the backdrop to these statistics is a cocktail of conditions; a programme of welfare reform under the current government's austerity measures, an unaffordable private rented sector where house prices and rents have risen substantially, and the long term social and affordable housing shortage.
- 3.5 Data published by the Department for Communities and Local Government for England shows that during 2015 the number of homes built for social rent fell by 12% to 9,590, lower than the 10,920 delivered in 2013-14.
- 3.6 Cuts to local authority funding have further inhibited the ability of Councils to manoeuvre in this area. The freeze on the Local Housing Allowance has meant that there has been a shortfall to Housing Benefit paid to low income households which does not fully cover the cost of private rented sector accommodation.
- 3.7 The Communities and Local Government (CLG) Select Committee began to examine homelessness in December 2015. This work is still in progress is expected to report later in 2016. Its scope has included looking at the causes of homelessness as well as the approaches taken by national and local government to prevent and tackle homelessness. It has also considered how homelessness is monitored, and the re-establishment of the cross-government Ministerial Working Group on Preventing and Tackling Homelessness.
- 3.8 The recent case of *Nzolameso v Westminster Borough Council* in 2015 has implications for local authorities in making out-of-borough placements of homeless people. The Supreme Court stated that the

local authority should identify and have regard to the principal needs of the children, which must be evidenced in their decision. The court found that, amongst others, Westminster Council had not made necessary enquiries into the practicalities of moving schools, whether school places were available and the implications of the appellant's medical conditions. The court also criticised the fact that the authority had not indicated what type of accommodation was available in and around Westminster or recognised that alternative accommodation offered should be as close to Westminster as possible.

#### **4. Local Context**

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- 4.1 The Council in 2015 received 731 homeless applications of which 77% were accepted (566 applications). In 2010 the Council received 904 applications, 63% of which were accepted (575 applications). Although the absolute numbers accepted increased by only a small amount, the rate at which applications have been accepted has increased by 14% compared to 2010. This is concerning, particularly given the rising trend of homelessness and the existing pressures on finding suitable and settled accommodation.
- 4.2 By the end of the last quarter of 2015, Tower Hamlets had 1,973 households in temporary accommodation compared to 1,770 households in temporary accommodation in 2010.
- 4.3 The Housing Options Service (service) is generally considered high performing. The service has been carrying out industry leading work on its No First Night Out project funded by the GLA. It has implemented various pilot projects with successful outcomes for homeless people. It received a 78% score in a diagnostic peer review undertaken in July 2015 by the London Borough of Hackney and City of London, which was considered to be a high rating. The Housing Options Singles Team (HOST) recently were awarded the bronze award for meeting one of the 10 gold standard challenges set by government, this is discussed later in the paper.
- 4.4 Housing need is historically high in Tower Hamlets. Homelessness and overcrowding are part of the many challenges faced by the borough's residents. The borough has high child poverty, worklessness and health inequalities. Whilst there are pockets of wealth, with the average annual earnings of those working in the borough at £64,000, a high percentage of households are living in income poverty. Tower Hamlets also has amongst the highest rates of child and pensioner poverty nationally, making the borough one of the most deprived areas in the country.
- 4.5 The significant savings the Council will need to make over the next few years is also an important local context. Following government cuts the

Council will need to make around £59 million worth of savings from 2017 to 2020.

- 4.6 Tower Hamlets, already a densely populated borough has a population of 284,000 which is expected to rise to 374,000 by 2026, one of the fastest growing populations in the country. This will place additional pressures on services during a time of further budget cuts.
- 4.7 The aggregated impact of welfare and social housing reform has resulted in increased need and limited affordable housing to meet the borough's growing housing needs. Between 2010/11 and 2014/15, Tower Hamlets has seen 5,590 affordable homes delivered but this number is insufficient to meet the needs of the numbers of homeless households in Tower Hamlets, therefore exacerbating the problem of homelessness.
- 4.8 It is also expected that the Housing and Planning Bill is likely to have an impact on homelessness. The impact of the proposals in the Bill has been discussed within the Housing Options Service and with partners who believe there will be a potential impact on homelessness due to:
  - a) The extension of the Right to Buy for Housing Association tenants and the probability that the relaxing of planning permission and the retention of the sales receipts to fund new builds will not compensate for the reduction in available stock to let;
  - b) The requirement to sell off high value housing stock;
  - c) The introduction of 'flexible tenancies' to a maximum of five years and the restriction of succession to five years only, which could result in either homelessness or a subsequent reliance on the PRS, which in turn Housing Options may need to broker or assist with a financial incentive. There would be a duty on the housing provider to provide advice on options to the tenant;
  - d) The regulation of private sector landlords and in particular the banning of rogue landlords, which is welcome but could have the effect of a reduction of supply in this sector if landlords decide not to enter the PRS market.

## 5. Key Findings and Recommendations

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- 5.1 In May 2012 a homelessness review was undertaken which informed the current Homelessness Statement and Action Plan. The review was undertaken by the Homelessness Partnership Board and was led by the Head of the Housing Options service, supported by a number of internal staff across the Council and local voluntary sector partners. The Homelessness Partnership Board included;

Head of Housing Options Service (LBTH)
Street Population Coordinator (LBTH)
Senior Strategy, Policy & Performance Officer (LBTH)
Strategy, Policy & Performance Officer (LBTH)
Children's, Schools and Families – (LBTH)
Supporting People (LBTH)
Strategic Housing (LBTH)
Crisis
NHS Primary Care Trust
Providence Row
Drug & Alcohol Action Team – (LBTH)

- 5.2 The review included an analysis of the national and local context and its impact on services as well as homelessness trends. Additionally progress against the existing Homelessness Statement was considered.
- 5.3 In July 2013 Cabinet agreed that the Action Plan and outcome measures for the Statement should be finalised by the Homeless Partnership Board. An Action Plan was developed and finalised by the partnership board but was never formally taken to Cabinet for adoption.
- 5.4 The service acknowledged that the Homelessness Partnership that was set up to implement the Homelessness Statement and Action Plan could be improved. There was a lack of ownership and this coincided with the pressures on housing at the time in 2012 to 2013. It was the service's stated objective at the time to focus on meeting housing need and deal with the pressures on homelessness. The service has indicated that it had delivered the main objectives of the Statement. Although the directorate plan did identify a number of milestones, including the adoption of the statement and action plan, to date no monitoring has taken place to gauge the progress made.
- 5.5 The Action Plan was partially implemented. In late 2015 the Housing Strategy team started a review of this and found that in particular those actions related to other services/partners there was no specific lead ownership, as well as issues on the deliverability of some of the actions. A small corporate group has since reviewed the Action Plan and agreed that it needs realignment and to be made as SMART as possible, to ensure all parties know what needs to be done by whom by

when and how the plan will be evaluated. The amended action plan will be taken forward within a revised overall housing strategy in 2016/17. The scrutiny panel was of the view that previous lessons learned in this area should inform upcoming strategy work.

- 5.6 The service is working well with partners on a multi-agency approach to supporting specific groups, such as young people and victims of domestic violence cases. However, it might be argued that partnership working can be strengthened in relation to dealing with the broader issues of homelessness. Whilst overall partnerships and relationships are strong the panel believed that there was scope for further improvements. The last plan was not fit for purpose because it was not comprehensive, not fully owned by the Housing Options Service; and where those areas of the plan that were relatively SMART were delivered; but those areas of the plan that were not SMART remained undelivered.
- 5.7 Homelessness is a complex problem and requires effective partnership working to address it. The service already engages with a wide range of partners and has traditionally done so effectively. What is now needed is a review of those arrangements, and the objectives, so that progress achieved since the last plan was drawn up can be sustained, and the service is in a strong position to respond to new threats and demands.
- 5.8 The balance of partners and internal staff on the previous partnership board was such that it would have been difficult to meet the wider actions; most of the members were Council representatives. Only four out of 12 positions on the Partnership Board were held by partners, including Crisis, the NHS and Providence Row Housing Association. This also demonstrated weaknesses in getting buy in from colleagues in the Council as there were actions related to other parts of the Council which were not delivered. There was a need to identify the key issues and then recruit the right members to deliver on its objectives.
- 5.9 There was a lack of an agreed protocol between partners and what they would be responsible for and where they would share information and work to address homelessness related issues. There was also an identified need to learn from and replicate other successful models in the Council e.g. the Health and Wellbeing Board. There was additionally a need for a partnership group to report and carry out monitoring of plans effectively.
- 5.10 Progress in relation to addressing many of the above improvements have already been made by the service, the report notes the need to fully ensure that this happens in all cases.

**Recommendations:**

**1** – Improvements highlighted in this report in relation to the Homelessness Statement and Action Plan should be incorporated into the new overarching Housing Strategy and to be signed off by the Mayor and Full Council.

**2** – Review existing partnership arrangements and objectives on homelessness, and strengthen joint working in order to respond to threats and demands.

- 5.11 The panel had concerns that families were being placed in B&Bs without careful consideration of alternative suitable accommodation. Such placements are detrimental to families, especially those with dependants, with the negative effects including disruption to schooling and ramifications for health. Shelter recently raised concerns in its evidence to the CLG Select Committee on homelessness that in 2016 B&B numbers had increased by a drastic 110% since 2010. Crisis also noted concerns in its report Homelessness Monitor 2016.
- 5.12 The panel wished to emphasise that keeping families with children in B&Bs over the six week period is illegal and that B&B placements should be seen as the last resort. The service in turn has indicated that every avenue is exhausted before placing households in B&Bs, and the panel recognised the considerable improvements that the service had made in reducing the number of people being placed in B&Bs.
- 5.13 The reasons for the increase in B&B placements was due to a number of interrelated factors which include:
- The hugely increased costs of private self-contained accommodation and no commensurate increase in temporary accommodation subsidy or Local Housing Allowance;
  - Insufficient alternative or cheaper sources of supply;
  - Lack of throughput of homeless households to achieve a sustained reduction in the number of homeless households in temporary accommodation.
  - When the Council agreed to subsidise an increase of £30 in rent to Private Licensed Accommodation, supply and retention of accommodation increased. This resulted in an increase in the number of void properties offered for re-let from 10% to 36%.
- 5.14 The panel believes that the quality of hostels and B&Bs used by the Council has improved dramatically over the past 20 years. However, members continue to receive occasional reports of poor quality physical conditions and sometimes poor quality management as well. The panel welcomed officers' assurances on the quality of hostels and B&B used by the Council, but given that vulnerable young children are frequently placed there, the panel believed that there needs to be greater Executive oversight of these premises such as through unannounced visits to B&Bs.

- 5.15 The service in response stated that this is a matter for the Mayor and Members, although recommended that visits are arranged with the Housing Options Service as the service also undertakes unannounced visits and it felt would be best to coordinate this with officers.
- 5.16 There is a requirement on the Council to provide the Government with a P1E return. This includes the numbers of unlawful placements in B&Bs. As part of the Council's commitment to transparency the service has been publishing this data on the Council website. The panel noted that this data was not presented in an accessible format, for instance it was difficult to view and print the P1E document. The service provides the Cabinet Member for housing with weekly updates on B&B numbers suggesting it collects data on these placements. This could be something other members could be provided access to and the service has agreed that it would be straightforward to post the monthly service statistics which cover a range of data on homelessness activity in the Members' Bulletin.

#### **Recommendation**

**3** - The Mayor and Lead Member should undertake a rolling programme of unannounced visits to all the B&Bs and hostels used as both emergency accommodation for homeless families and single people.

**4** - Housing Options Service on a monthly basis publish on Members' Bulletin B&B placements data including the number of unlawful placements.

**5** - The P1E return needs to be available in a reader friendly format on the Council website and intranet.

- 5.17 The Council's aim is to house people as close to the borough as possible, and has worked to significantly improve the situation in the last six months, prioritising cases where families have been kept in B&Bs unlawfully.
- 5.18 The service has been struggling to find enough self-contained accommodation (not shared with other people). The buoyant commercial market clearly gives landlords a strong negotiating position in relation to local authorities which has further added to these pressures. This has seen a deteriorating relationship between the service and private landlords, including in some instances, taking properties back through legal action.
- 5.19 The panel is aware that, under the Localism Act 2011, the Council has the power to discharge its duty to a statutory homeless household through the offer of an Assured Shorthold Tenancy in the private rented sector. Following the agreement of the Homelessness Statement in 2013, the Council began to utilise this power later that year. Following representations by Members about the basis on which households

were being chosen to be made this “offer” this practice was suspended. It has not been used since. The panel appreciates the intense pressures the cuts to Housing Benefit subsidy are causing. However, it is not persuaded that it is possible for this power to discharge the main duty through a PRS offer to be utilised without leaving people at serious risk of repeat homelessness.

- 5.20 The panel noted that there are rare occasions where a private rented sector offer (PRSO) will be suitable, and there have been, since the moratorium in November 2014 a small number of voluntary PRSOs and a couple of restricted duty cases where a PRSO is the only legal option. There are occasions when they would be suitable, for instance the offer of right to buy buy-backs in regeneration areas by Poplar Harca on 5-year fixed term tenancies let at local housing allowance level (LHA). The service still has properties offered on LHA following the award of an empty property grant. In most cases these would be offered as preventions, rather than discharge, but there are circumstances when a failure to use the PRSO option means the Council may lose the property – for instance where no household will accept a property as a prevention of homelessness. It could be argued that a refusal to use the power under any circumstances would fetter the Council’s discretion, which would be difficult to justify and probably unlawful given the detailed suitability assessments that are undertaken.
- 5.21 However the service believes that the private rented sector can be a viable option depending on rent levels, length of tenancy, location, and the means of the household. The obligation to ensure an offer is suitable means affordability, sustainability and location would all be considered in advance of an offer being made. To have the option to use private rented sector offers would provide an additional tool to help end the homelessness duty, albeit for much reduced numbers.
- 5.22 The panel was interested in the innovative steps being taken to address the shortfall in temporary accommodation across the country. There was a discussion on the Ycube development in the London Borough of Merton which involved flat packed development of temporary accommodation. It was suggested that it was a potentially cost effective way to ensure the Council was accommodating people with its own temporary accommodation stock that could be designed well.
- 5.23 The service has initiated an options appraisal with the East London Housing Partnership to investigate the possibility of using Modern Method of Construction (MMC) options that may help the Council to meet the demands for temporary accommodation by increasing supply. Other options under consideration include: converting existing Council owned buildings into temporary accommodation; looking at the viability of purchasing property out of borough for conversion to emergency and/or longer term temporary accommodation; and approaching local authorities with high social housing voids outside London to see if any

would be prepared to allow Tower Hamlets to use these as long-term temporary accommodation. A decision on funding any future models will need to be made depending on the option (s) being pursued.

- 5.24 Data from Homeless Link shows that over the calendar year (quarter four of 2014 to quarter three of 2015) the Council was in the top ten authorities for use of temporary accommodation. The panel was interested in being kept informed of how this work would be developed. Lewisham and Barnet Councils have adopted a temporary accommodation plan/strategy which outlines how they intend to meet the demands on temporary accommodation. This will lead to better planning and understanding by the business of how to meet the demand and reconcile with the supply of temporary accommodation available.
- 5.25 The service has taken steps to plan the level of temporary accommodation they need annually based on current assumptions on demand. It has successfully managed to avoid costly and reputational-damaging complaints to the ombudsman and have lost very few S204 Suitability Appeals. This indicates the care with which the stock is being managed in very difficult circumstances.
- 5.26 The panel was conscious that many Tower Hamlets families were “prevented” from becoming homeless over the past decade through the brokering of a tenancy in the private rented sector. The erosion of the value of Local Housing Allowance since 2011 and the £500 a week Benefit Cap mean some of those families are now facing Housing Benefit shortfalls that are difficult to make up, and therefore leave them at risk of accruing rent arrears and facing eviction. However according to the service in these circumstances it is highly unlikely that a finding of intentional homeless would be made. The panel was concerned that some families and vulnerable single people in these circumstances who approach Homeless Services for help again might be found to be intentionally homeless. While the panel appreciate that such households have the right to legally challenge this decision and where children are involved, will be automatically referred to Children’s Services for a section 17 assessment, they were not satisfied these are a sufficient safeguard. The panel therefore believes that there needs to be some further Executive oversight of such decisions, and that details of such cases should be reported to the Mayor and Lead Member.
- 5.27 The panel noted that the number of intentionally homeless decisions has declined, in part due to the main reasons for homelessness changing. If accommodation is not affordable and the reason for loss of last settled home is rent arrears then it is highly unlikely that a finding of intentionality would be made. The number of intentionally homeless decisions is reported quarterly in the P1E returns which are published on the Council’s website.

### **Recommendation**

**6** - The Mayor should not authorise officers to discharge main homelessness duty through a PRS offer.

**7** - Develop and publicise a plan to meet the demands on temporary accommodation.

**8** - Ensure the future strategy on homelessness adopts an approach to limiting the use of bed & breakfast for families.

**9** - A summary of all those cases in which a family with children or vulnerable single person has been deemed intentionally homeless should be reported monthly to the Mayor and Lead Member.

- 5.28 More households from Tower Hamlets are being placed out of borough. For example in March 2016, 1092 households were placed in the borough whilst 950 households were placed out of borough. Evidence from the Homeless Monitor for England 2016 suggests that an increase in out of borough placements was “linked closely with the broader displacement effects of welfare reform”.<sup>3</sup>
- 5.29 The panel noted the need to get the balance right for in borough and out of borough placements, and acknowledges that officers are facing difficult pressures. There is a need to take into account disruption to schooling, family and support networks, health and the distance that families are being placed away from their home borough which the service indicates it does consider these factors.
- 5.30 The service recognised a need to support out of borough placements further. For example, assistance to find and register for schools, finding child care, registering with children’s centres and travel assistance. There was a view that this needed to translate into actions and there was a need to mitigate the impact of moving a family away from their home borough. The service stated that as part of the suitability assessment they take this into consideration.
- 5.31 The panel briefly discussed the implications of the Nzolameso case for Tower Hamlets. The Supreme Court set out how local authorities should address the burden of accounting for their actions in each case: ideally, each local authority should have, and keep up to date, a policy for procuring sufficient units of temporary accommodation to meet the anticipated demand during the coming year. That policy should reflect the authority’s statutory obligations under both the Housing Act 1996 and the Children Act 2004. The policy should be approved by Full Council and, ideally, it should be made publicly available.

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<sup>3</sup> Crisis, Homeless Monitor for England 2016, page 17.

- 5.32 In response to this judgement the service implemented a procedure for assessing the suitability of temporary accommodation in 2012. This procedure was reviewed in light of Nzolameso and was found to be compliant, although further work on ensuring it is fully implemented in all cases is required.
- 5.33 In trying to meet demand the service initiated an options appraisal which considered various options the Council could utilise to maximise the accommodation available in Tower Hamlets. These options included: converting existing Council buildings for temporary accommodation use, re-commissioning an old hostel to bring it back into use, and exploring the purchase of land with other authorities with a view to building pre fab development of modular housing units for TA use. There has not been consideration of funding needs because the results of the options appraisals on purchase of hostel accommodation and development of modular housing have not yet reported to Members but this will follow.
- 5.34 The Supreme Court also stated that each local authority should have, and keep up to date, a policy for allocating temporary units to individual homeless households. Where there was an anticipated shortfall of “in borough” units, that policy should explain the factors which would be taken into account in offering households those units, the factors which would be taken into account in offering units close to home, and if there was a shortage of such units, the factors which would make it suitable to accommodate a household further away. That policy too should be made publicly available.
- 5.35 In response to this judgement the Council amended an existing policy that was produced in 2012 to comply with this. The policy for determining the suitability of temporary accommodation/private rented sector offers was formally adopted by the Mayor earlier in 2016, it remains to be published. The policy covers out of borough placements as legislated under Part VII of the 1996 Housing Act which deals with the provision of temporary accommodation.
- 5.36 The panel noted the need to provide on-going support to those placed out of borough. Furthermore, given the current subsidy regime, the Council will need to continue to source much of its temporary accommodation out of the borough, and that the management of this portfolio has intense challenges. However, the panel are concerned about the impact of such placements on families who are placed a long way from their children’s schools and their own support networks. The panel believes that those families who have waited longest in temporary accommodation out of borough should be prioritised for a move back to the borough as and when temporary accommodation within the borough becomes available, rather than these properties being allocated to those to whom a duty has been newly-accepted.

- 5.37 It was noted that every homeless household has a designated housing officer. All placements are visited within two weeks of moving in and ongoing support is available and provided where the need arises, from the Family Intervention Project (FIP) and the service's Tenancy Sustainment Team as well as the Housing Officer in the context of their normal housing management duties.
- 5.38 It is suggested that families placed out of borough be prioritised over households in B&B; 90% of all new procurement is out of borough and the HOS only retain 36% of all temporary accommodation voids for re-let (an improvement on the 10% in 2014/15). There is no guarantee that if the Council move a family out of self-contained accommodation out of borough the property would be offered back to the authority for a family to move from a hotel placement. This would substantially increase the risk of legal challenge and will increase the amount of time families spend in B&B.
- 5.39 In the event that the Council has sufficient properties within the borough to accommodate both households in B&B and those accommodated out of borough then the service should prioritise those in nightly paid accommodation as this represents the higher cost to the Council. The Merton placements have been mentioned in many quarters; the households placed there have overwhelmingly expressed satisfaction with the properties which are finished to a high quality, and are readily accessible to the borough via the District Line which is a 10 minute walk from the block. Most households placed out of borough quickly settle in their accommodation.
- 5.40 The in-borough properties are let to households who have a proven need to be in the borough for employment, education, social, health or welfare needs. The Council does not place families out of the borough where this would be unsuitable. The service suggested that to insist that in-borough properties are allocated on the basis of how long a family has been out of the borough will leave the Council open to legal challenge if the service is then unable to place a family that needs to be in the borough.

**Recommendations:**

**10** - Implement a package of support for families placed out of borough in order to help households settle into a new borough.

**11** - Ensure that the policy for determining the suitability of temporary accommodation/private rented sector offers is published and publicly available on the Council's internet and intranet site.

**12**- Explore the potential of prioritising a move back to the borough for homeless families who have been placed out of borough for a long period of time when temporary accommodation becomes available, which is consistent with the Council's legal duties.

- 5.41 The panel recognised some of the leading work the Housing Options service had undertaken and received the details of this positively. For example, the service has undertaken a pilot with Poplar Harca on tenant engagement. It found that one of the main reasons for loss of accommodation leading to potential homelessness problems was rent arrears. The service has been working with Poplar Harca to signpost tenants to the Council who are not engaging in relation to rent arrears. Poplar Harca share information with the Council on those tenants who are in arrears, and both organisations then work together to engage those tenants. Activities have included visiting tenants to address their problems including handling claims.
- 5.42 The service has also found that often there were documentation problems in relation to applying for benefit claims properly. Where a particular case is not straightforward, the service arranges a case conference involving the housing provider and partners. Research from another pilot suggests that often single people with support needs and lack of resilience would actually leave their tenancies rather than go through the route of being evicted, with the prospect of large debts and having to deal with the authority.
- 5.43 The panel believes it would be very useful for the service to share these valuable insights with other registered providers. However, it can be hard to engage some RPs who did find evictions a cost effective method, by putting up rents and securing new tenants. Nonetheless, a good relationship with housing landlords is crucial to preventing homelessness. If the Council is able to give landlords advice and give their tenants advice then it is easier to broker and negotiate residents remaining in their tenancies. Further work will be undertaken through the Common Housing Register Forum.

**Recommendation:**

**13** - Create awareness amongst hard to engage RPs on the implications of evictions, and explore what is required to engage with RPs on evictions, including sharing the analysis with all RPs of tenant engagement work undertaken with Poplar Harca on rent arrears and evictions.

- 5.44 Service managers noted that the Housing Options Singles Team (HOST) had ensured advisors received customer empathy training. This has had good outcomes in terms of meeting customer needs and ensuring that advisors engaged customers; fully understanding the situations they are in. The work of this team was recognised recently, as the team achieved bronze level award from the National Practitioner Support Service (NPS). Further details on the standard are discussed later in this paper.

- 5.45 The best practice achieved in the HOST team could be shared with other parts of the service more widely. Customer empathy training has not been adopted by the wider service for frontline advice staff. There is expertise and knowledge within the service to provide the training and support. Frontline staff from the HOST team could for example mentor the frontline advice staff in Housing Options. The service recognised the need for training and agreed that it would take these forward in future workforce development planning.

**Recommendations:**

**14** - Explore customer empathy training for relevant front line staff in the wider Housing Options Advice Service.

**15** - Consider a mentoring scheme between HOST trained frontline staff and frontline staff in the wider Housing Options Advice Service.

- 5.46 The Government has developed the National Practitioner Support Service to develop and administer the gold standard framework for providing continuous improvement in front line housing services. The Gold Standard was launched in 2013, as a programme to assist local authorities to improve their homelessness services. Councils begin by making a commitment to continuously improve services, and then undergo a peer review carried out by another local authority. If the Council gets a high score on their review they can then apply for assessment of their service against the 10 challenges.

- 5.47 The 10 challenges are:

1. To adopt a corporate commitment to prevent homelessness which has buy in across all local authority services.
2. To actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs.
3. To offer a Housing Options prevention service to all clients including written advice.
4. To adopt a No Second Night Out model or an effective local alternative.
5. To have housing pathways agreed or in development with each key partner and client group that include appropriate accommodation and support.
6. To develop a suitable private rented sector offer for all client groups, including advice and support to both client and landlord.
7. To actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme.
8. To have a homelessness strategy which sets out a proactive approach to preventing homelessness, reviewed annually to be responsive to emerging needs.

9. To not place any young person aged 16 or 17 in Bed and Breakfast accommodation.
10. To not place any families in Bed and Breakfast accommodation unless in an emergency and for no longer than 6 weeks.

**5.48** The panel is clear that Tower Hamlets runs one of the better housing options services, however it should continue to strive to improve where possible. For example, while the peer review mentioned earlier did give the borough a high rating, it also identified a number of recommendations which have yet to be implemented.

5.49 Some of recommendations outlined in the peer review align broadly with the themes in this report. For instance the reviewing authority (Hackney Council & City of London) noted low level of interactions between the Housing Options Team and private landlords, and the need for policy and planning on alternative accommodation and on supply and demand. They also found that “more information should be provided on types of complaints and enquiries the service receives...presented in a format that can look for trends.”

5.50 The recommendations highlighted in the peer review report could benefit the team in future, and reinforce the principle of continuous improvement.

**Recommendations:**

**16** - Undertake an analysis of the recommendations identified in the diagnostic peer review report and implement those that would benefit the service.

5.51 Whilst a challenge session is a good start to highlighting issues it was felt that this area warranted further in-depth examination, particularly of how the Council hopes to tackle homelessness over the next few years. It may be that a future review also considers how the new housing strategy is working to prevent and meet the needs of homeless residents

5.52 A dedicated Housing Scrutiny Sub-Committee is to be established, and it may be that in year one of its operation, it should consider homelessness as a topic in its work programme.

**Recommendation:**

**17** - A future full scrutiny review looks into homelessness.