



City of Westminster

Committee Report

Meeting or Decision Maker:	Climate Action, Housing and Regeneration Policy & Scrutiny Committee
Date:	2 nd March 2023
Classification:	General Release
Title:	Provision of Temporary Accommodation to meet needs of Homeless Households
Wards Affected:	All
Policy Context:	Maximising the availability of quality accommodation in and close to the borough to meet housing need thus delivering Fairer Westminster commitments
Financial Summary:	The gross Housing General Fund homelessness budget for 2022/23 is £54.5m. Of this sum approximately £48.1m relates to the provision of temporary accommodation
Report of:	Debbie Jackson – Executive Director of Growth, Planning and Housing

1. Executive Summary

- 1.1 The purpose of this report is to update the Committee on the issues that drive the provision and management of Temporary Accommodation (TA).

Part A: Introduction and Policy Framework

- 1.2 This section sets out the key policy framework that determines how TA is allocated. The policies reflect the challenges in securing accommodation, which is affordable to households on low incomes, both in Westminster and across London, whether to prevent homelessness or to provide TA. The overall strategy remains to increase the supply of good quality accommodation available for households in housing need, maximising the availability of this in and close to Westminster and then across London.

Part B: Funding Temporary Accommodation

- 1.3 This section describes the financial arrangements for TA, the gross and net costs to the Council and the rent charging regime that determines the Council's income which has remained at the same level (per property) since 2011.

Part C: Demand for Temporary Accommodation and Moving on

- 1.4 The demand for TA is driven by numbers of households in housing need approaching the Council's Housing Solutions Service for assistance and requiring housing. This section sets out the changing demands, the main causes of homelessness and projections for the future. Also illustrated are the levels of homeless rehousing into social housing and a brief summary of homeless prevention initiatives.

Part D: The Supply of Temporary Accommodation

- 1.5 A summary of how the Council secures TA and the different organisations that are engaged to supply accommodation including Registered Providers, Charities and voluntary sector organisations and the private sector. From this a summary of the location of TA and breakdowns of provision by bedsize and waiting times.

Part E: Directly Purchasing Accommodation

- 1.6 A summary of the TA purchase programme and the plans to expand this to invest an additional £168m 2023 – 27 to purchase an additional 270 homes

Part F: The provision of support to households and meeting quality standards of Temporary Accommodation

- 1.7 A summary of how the Council manages standards in TA and supports residents

Key Matters for the Committee's Consideration

The report describes the supply and demand for Temporary Accommodation across Westminster, how the accommodation is sourced, the make-up of the stock and standards delivered and households supported. The Committee is asked to consider how accommodation to meet housing need can best be delivered in the future

1. Part A: Introduction and Policy Framework

1.1 The purpose of this briefing is to provide an overview of the supply and demand for Temporary Accommodation (TA), the challenges in meeting the need and the options for changing the mix and location of TA. The Council has a statutory duty to provide suitable accommodation to meet demand and so must be able to maintain sufficient emergency and long-term TA to meet demand. The function for determining homelessness duties and the provision of TA is carried out under contract by the Homelessness Solutions Service (HSS) a part of the Residential Management Group (RMG) whose parent company is Places for People.

1.2 Provision of TA poses significant challenges for all London boroughs in terms of:

- securing sufficient accommodation to meet demand
- providing affordable accommodation
- ensuring good standards
- managing the overall cost to the General Fund

1.3 When a household is placed into TA following a homeless application there are two types of accommodation provided:

- Stage 1 accommodation generally used for households who require somewhere else to live whilst HSS try to relieve their homelessness and pending an assessment of a homeless application. It is short-term emergency accommodation which allows for a comprehensive assessment of the household circumstances so that the Council can prevent homelessness wherever possible and consider whether it has a full statutory housing duty under the housing legislation.
- Stage 2 It is longer term, more settled temporary accommodation which is provided where we can't relieve homelessness and we have a main homelessness duty. Households can bid for social housing through Choice Based Lettings and/or be offered private rented sector accommodation.

1.4 It is a statutory requirement that TA is suitable for homeless households in terms of size, cost, and location. Every unit must comply with the Council's TA Standards, which have developed over time with environmental health services and in line with legislation. Suppliers of TA are required to meet these standards, to routinely inspect the properties, with photographs taken. In addition, the Council has signed up to the pan London 'Setting the Standards' inspection regime of short-term and studio accommodation. HSS also has a rolling programme of inspections.

2. Policy Framework

- 2.1 This section sets out the key policy framework that determines how TA is allocated. The policies reflect the challenges in securing accommodation, which is affordable to households on low incomes, both in Westminster and across London, whether to prevent homelessness or to provide TA. The overall strategy remains to increase the supply of good quality accommodation available for households in housing need, maximising the availability of this in Westminster and then across London.
- 2.2 The annual *Supply and Allocation of Social housing Report* reviews the demand for and supply of social rented housing and low-cost home ownership and considers supply and demand projections for the coming year. The report makes proposals for the allocation of the supply of social housing to meet the Council's statutory obligations, meet the varying demands for social housing and to reduce the numbers of people living in TA. The report sets out projected supply and the proposed allocation of social housing for the next year. This reflects the demand from homeless households for social housing such that over 80% of lettings of 2 bed and larger properties to housing register applicants are to homeless households in TA.
- 2.3 The policies that determine how properties are procured and allocated are:
- The *Accommodation Placement Policy* prioritises homeless households in three location Bands (Band 1 is Westminster and adjoining boroughs, Band 2 is Greater London and Band 3 is anywhere outside Greater London.) Given the limited supply of properties the criteria for Bands 1 and 2 were based around health and welfare needs which were agreed with Adults and Children's Services and Counsel. This needs-based approach was to help ensure those with the highest welfare needs had the best chance of remaining in Westminster with every household having a Personal Housing Plan as a legal requirement.
 - The *Accommodation Procurement Policy* sets out the challenges in obtaining sufficient TA to meet demand, which is affordable to households (within benefit levels) and to the Council (within TA subsidy levels). It includes an action plan to provide sufficient accommodation to meet demand and the principles the Council will follow when procuring private sector properties.

3. Part B: Funding Temporary Accommodation

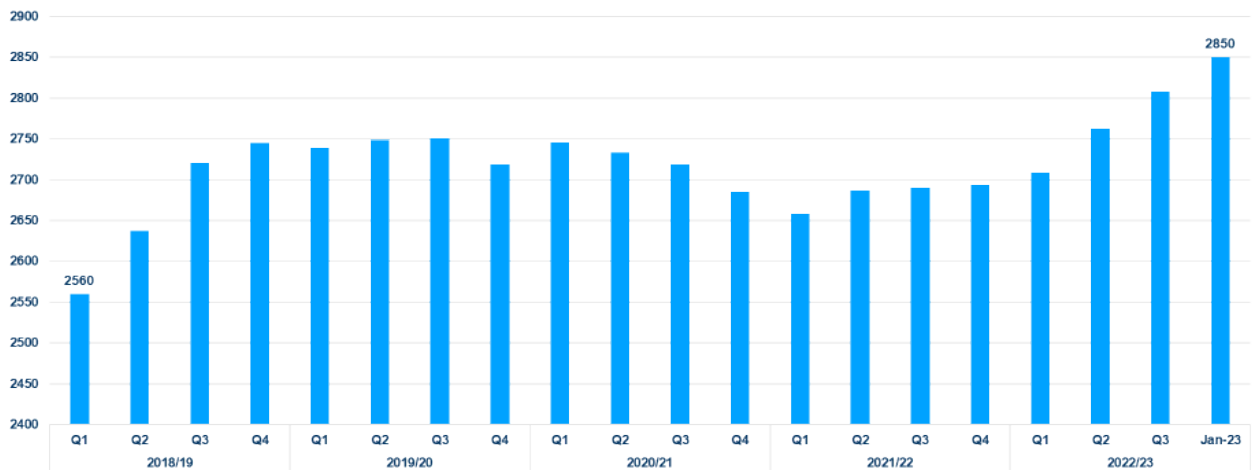
- 3.1 TA is managed as a trading account reflecting the government set model for the provision of TA with the Council paying money to suppliers for accommodation and charging households rent for the property, which can be claimed if eligible from Housing Benefits.
- 3.2 The level of charges to households is through a government set formula of 90% of the 2011 Local Housing Allowance (LHA) subject to a cap of £500 per week. Up to 2017 this formula also included a management fee allocation of £40 per week, reflecting the costs of property management. This is now paid through the Homelessness Prevention Grant, which is ring fenced for homeless prevention activities and is annually paid in lump sum by the Department for Housing Levelling up and Communities.
- 3.3 This formula has remained unchanged since 2011 notwithstanding the increase in private sector market and management costs. As a result, given the statutory duty to provide suitable accommodation and the challenges of sourcing this within the current market, there is a trading deficit on TA, which is a direct cost to the general fund:
- 3.4 When negotiating cost levels with suppliers, the core market advantage the Council has is the guaranteed income from a public body. However, the increasing strength of the private rented sector market has eroded this advantage over time with property owners having a wider choice of tenants.
- 3.5 In addition, larger schemes for several households (e.g. Newman Street (close to Oxford Circus) that provides 76 self-contained studio units for single households, Look Ahead's Southwark Bridge Road scheme, Frampton Street managed by NHG) require 24 hour staff cover, reflecting the complex needs of the single homeless and the importance of providing a safe environment. Provision of such management is at an additional cost to the Council.
- 3.6 Most properties are leased for periods of 3-5 years and then renewed. The market has made it increasingly challenging to renew leases on existing properties at the same or similar terms as when a lease was originally taken out, given the alternatives that owners have and the level of private sector market rents. There are significant challenges procuring affordable TA which meets the needs of larger households, particularly when they have mobility issues.
- 3.7 The latest projections indicate that WCC will spend over £58m on TA in 2022/23. Income has only risen in line with the number of households in TA, and as such, the overall pressure the Council faces, primarily driven by increased lease costs, is projected to be over £7.5m this financial year.

4. Part C: Temporary Accommodation demand

4.1 The demand for temporary accommodation is complex. Most, but not all, households who approach WCC as homeless are placed into TA. This excludes those cases where we can negotiate additional time to stay or prevent homelessness where someone is staying with friends or family or privately renting. In addition to this a very small number will not be provided TA pending a full decision, but this is exceptional. The chart below sets out the change in total TA since 2018

Key Issues:

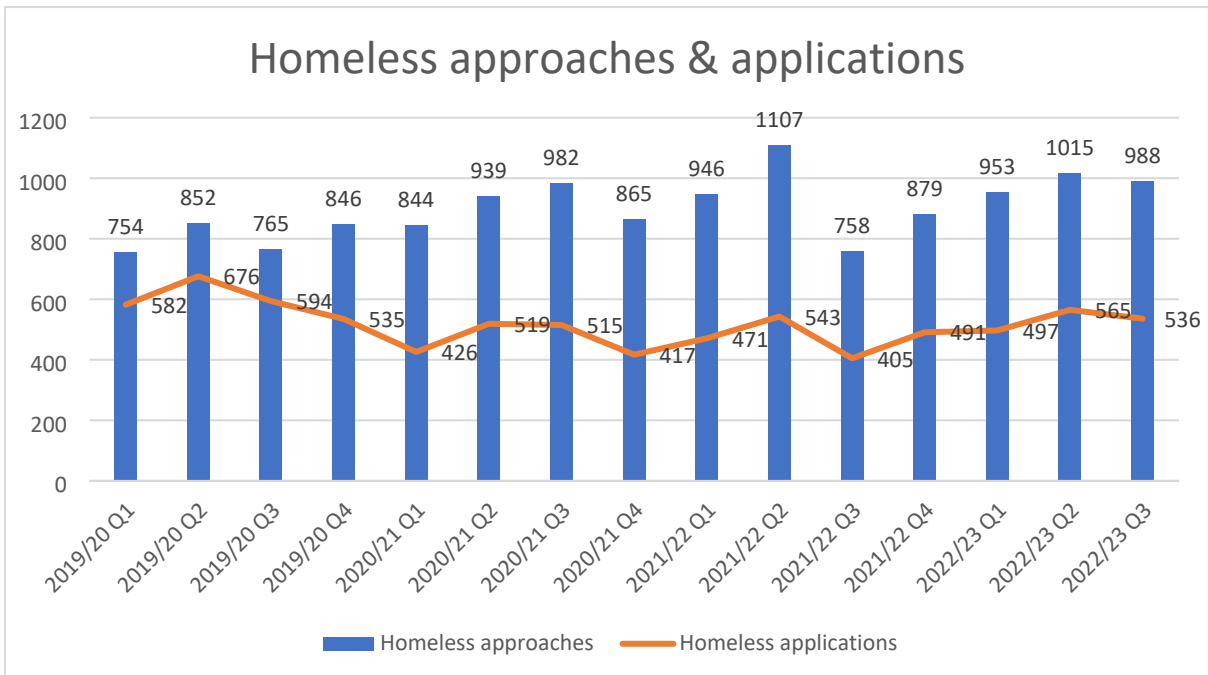
Increasing numbers in Temporary Accommodation



**As measure at the end of the quarter*

4.2 Approximately 18-20 households per week are placed in Stage 1 emergency short-term accommodation whilst we seek to prevent homelessness whilst assessing the homeless application.

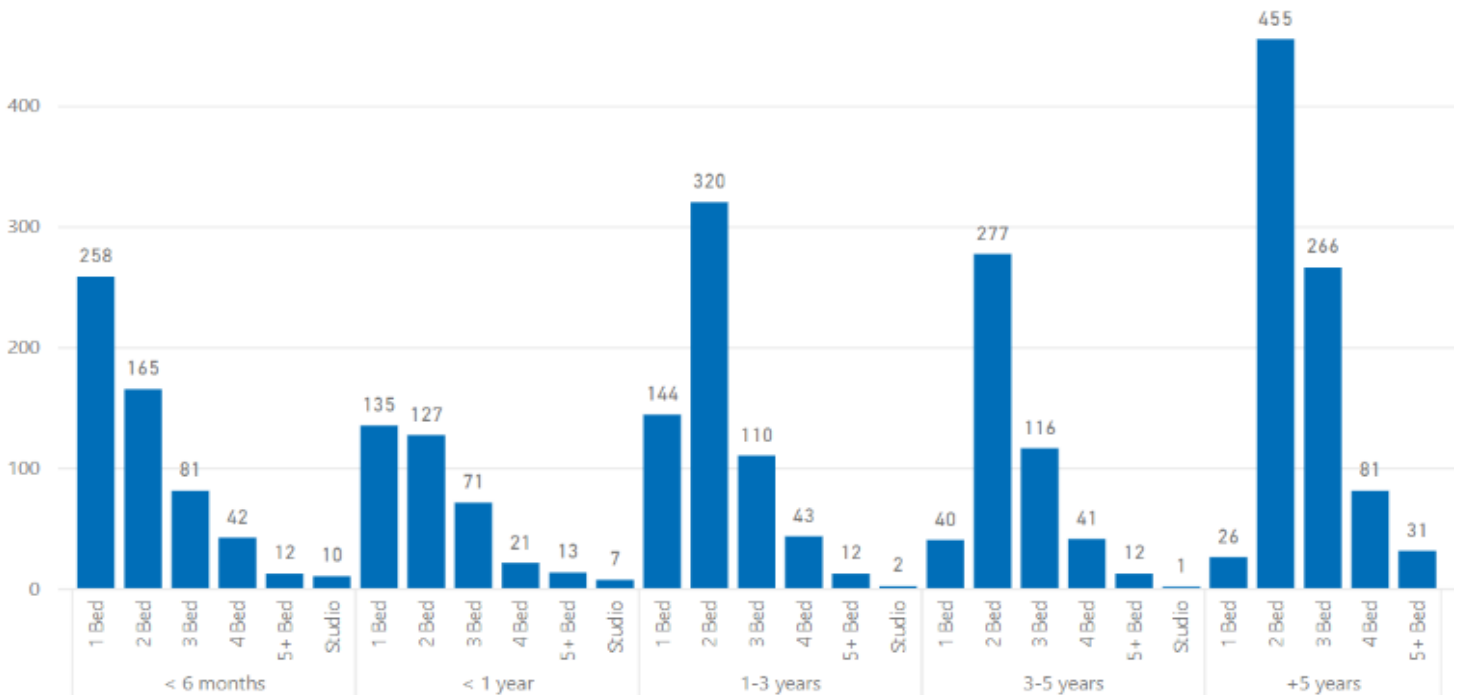
4.3 The figures for those accepted as homeless are therefore lower than those placed into TA, and it is these accepted cases that we have an enduring duty to provide temporary accommodation to. The table shows that over the last ten years we accepted almost 6,000 households



4.4 Length of time living in TA

The following table summarises the length of stay of households in TA. The length of time living in TA varies greatly according to the property size, reflecting the availability of larger properties in the local housing market.

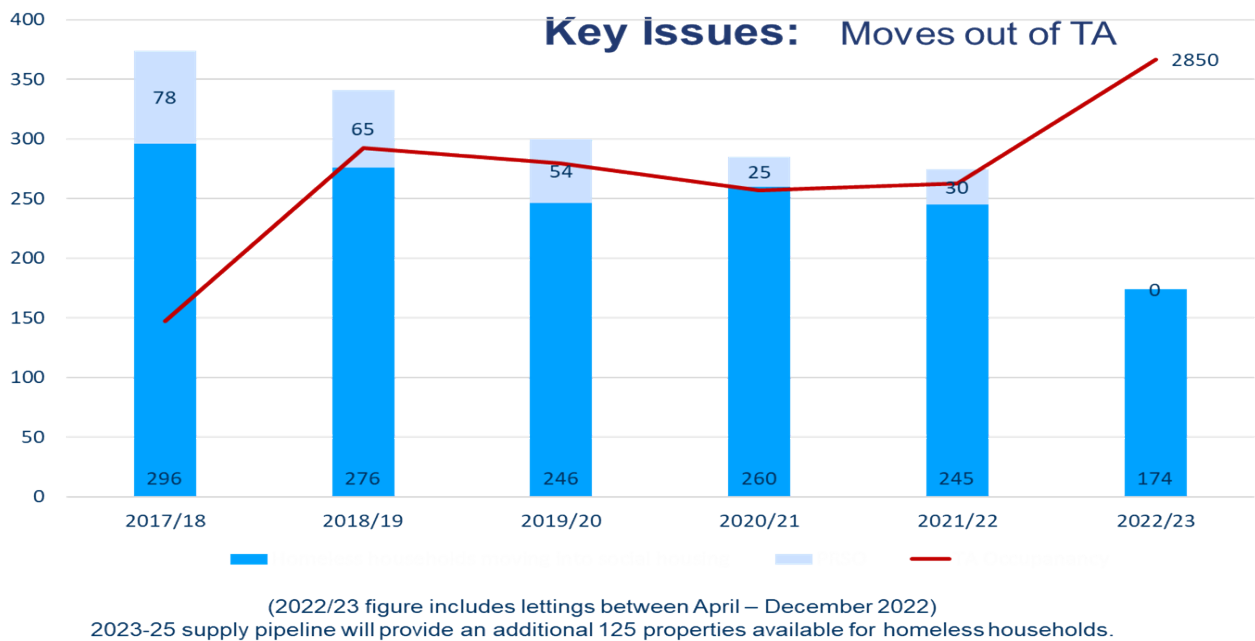
Time spent in current tenancy by Bedsize_Grouping



4.5 Moves out of TA

The principal route to move out of TA is into social housing to end the Council's homelessness duty and the table below sets out the number of moves into social housing by homeless households since 2017. Properties are allocated in line with the Council's Housing Allocations Scheme with generally bids for properties submitted through Choice Based Lettings. The Allocations Policy itself is being reviewed during 2023.

It should be noted that, reflecting the profile of social housing in Westminster, the majority of moves of homeless households into social housing is into smaller units due to availability which is not the same as the profile of acceptances into TA, driving the longer waiting times for larger homes.



4.6 Temporary Accommodation Forecasts

Forecasting total TA is complex reflecting the wide range of supply and demand with the principal factors below:

- 18% increase in approaches since 20/21
- Average monthly placements increased by 22% from 54 in 2021/22 to 66

4.7 Factors driving the increase in TA

- Increase in rents leading to rent arrears and homelessness
- Increase in singles and Domestic Abuse

- New demand e.g. Ukrainian families, cost of living crisis - opportunity to maximise new £500m Local Authority Housing Fund
- It's harder to prevent homelessness – negotiation with existing landlords, friends and family
- Fewer households moving out – fewer being rehoused or voluntary moves to the Private Rented Sector (PRS)

4.8.1 Regional and national trends

- 36% increase in homeless presentations in the North London Sub Region (October 2021 – October 2022)
- An increasing need to use commercial hotels and bed and breakfast accommodation. Jan-Oct 2022 there were 1,010 placements into commercial hotels across the sub region which was 21% of all placements at an average cost of £90pn, rising to £210pn in central London.
- The Inter Borough Accommodation Agreement (IBAA) is a pan London agreement between boroughs setting the maximum amounts that can be paid for emergency accommodation in each borough. Breaches of the agreement have significantly increased. In 2022 between Jan and March there was 3.74% increase in the average % paid above the agreed rates, April to June 10.9% and July to Sept an 18.4% increase

4.9 Contracting private rented sector

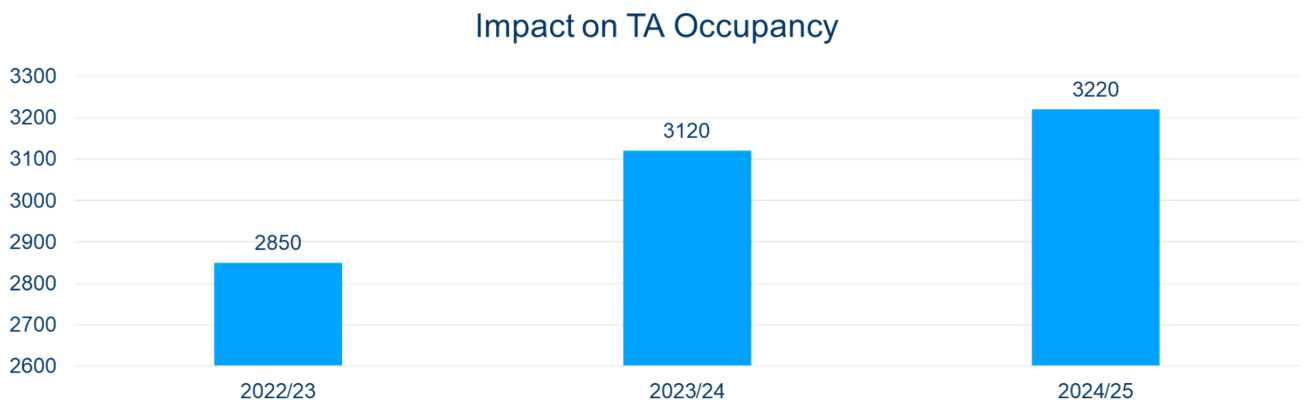
- WCC is very reliant on the Private Rented Sector leased (PRS) for its TA, with a lower supply of nightly charged PRS, compared to other local authorities.
- The general PRS market is contracting as landlords are moving out of the market - tax changes, possible change to PRS legislation
- 35% decrease in available PRS properties recorded in Q1 2022 (Source: Savills Report as commissioned by Capital Letters, 2022)
- 46% decrease in the number of PRS units procured in October 2022 compared to October 2021 (London School of Economics (LSE) Sub Region report) 2022
- Only 8.8% of all available properties listed for rent were affordable on LHA (Source: Savills report commissioned by CL, 2022)

4.10 More reliance on B&B and increasingly commercial hotels

- Sub regionally there was a 43% increase in use of B&B and commercial hotels (Oct 2021 to Oct 2022)

- In Westminster between January and October 2022 we placed 184 in commercial hotels (34% of all placements) at an average price of £268pn. In the whole of 20/21 the figure was less than 10
- There is also additional competition from other agencies such as the Home Office who procure hotel accommodation across London

The impact of the above is that the total requirement for TA is forecast to rise to c. 3220 by 2025.



5 Part D: Temporary Accommodation supply

5.1 The current 2850 properties used as Temporary Accommodation (TA) are managed by c. 25 different provider organisations with just over 40% in-borough. Most properties are leased for periods of 3-5 years and generally are renewed where demand continues, and properties meet standards. An exercise is currently taking place led by legal services to update all agreements. The financial arrangements are set out in section 3 above with the principal advantage the Council has within the market is the ability to offer management and guaranteed rents (albeit below market levels.) The table below provides a high-level summary of current TA provision followed by more detailed information.

	In Borough		Out of Borough	
	Families	Singles	Families	Singles
Properties leased from Registered Providers (who have leased them from the PRS) *	393	66	208	19
RP and voluntary sector owned	287	73	43	0
Privately Sector Providers (e.g. directly owned blocks and individual properties and leases of single units)	92	111	852	378
Directly purchased units	118	9	122	10
Regeneration Areas	43	18	0	0

* Total numbers of households in TA vary and the reports set out in this paper do show small differences in total numbers according to when the chart was developed; all are recent and there are no significant differences in total numbers

5.2 Registered Providers that supply TA to the Council are principally:

- Notting Hill Genesis who primarily lease accommodation in borough from private landlords for use by the Council as TA
- A2 Dominion who own properties purchased generally in 1990s and early 2000s specifically for use as TA
- Places for People through RMG as providers of the Council's Housing Solutions Service also have a specific function to source and manage some TA. As a result, RMG leases predominantly out of borough properties from private landlords for use as TA

5.3 Private Management companies that either lease accommodation from the private sector for use as TA or own properties directly for use as TA, located principally out of the borough e.g., AJ Bush, Theori, Altwood, Steff and Philips

5.4 Owners of standalone blocks of accommodation, leased to the Council for TA; e.g. Centrica pension fund own Newman Street block; Abbots emergency accommodation in Willsden

5.5 Voluntary sector organisations who own properties for use as TA e.g., Look Ahead scheme on Southwark Bridge Road; St Mungo’s Francis Street (although this is moving to supported housing under RSI)

5.6 The table below lists our largest suppliers of TA which comprises over 80% of total stock.

Landlord	Units
Notting Hill Genesis	418
A2 Dominion	353
AJ Bush	347
RMG Ltd	267
WCC Owned TA	222
Theori Management	204
Stef & Philips	211
Centrica	76
Westminster Community Homes	55
Total	2112

5.7 The following table breaks down current TA by property size. Most TA is family sized units, 2-bedroom properties accounting for 1300 units and almost 900 properties being 3 bed or larger.

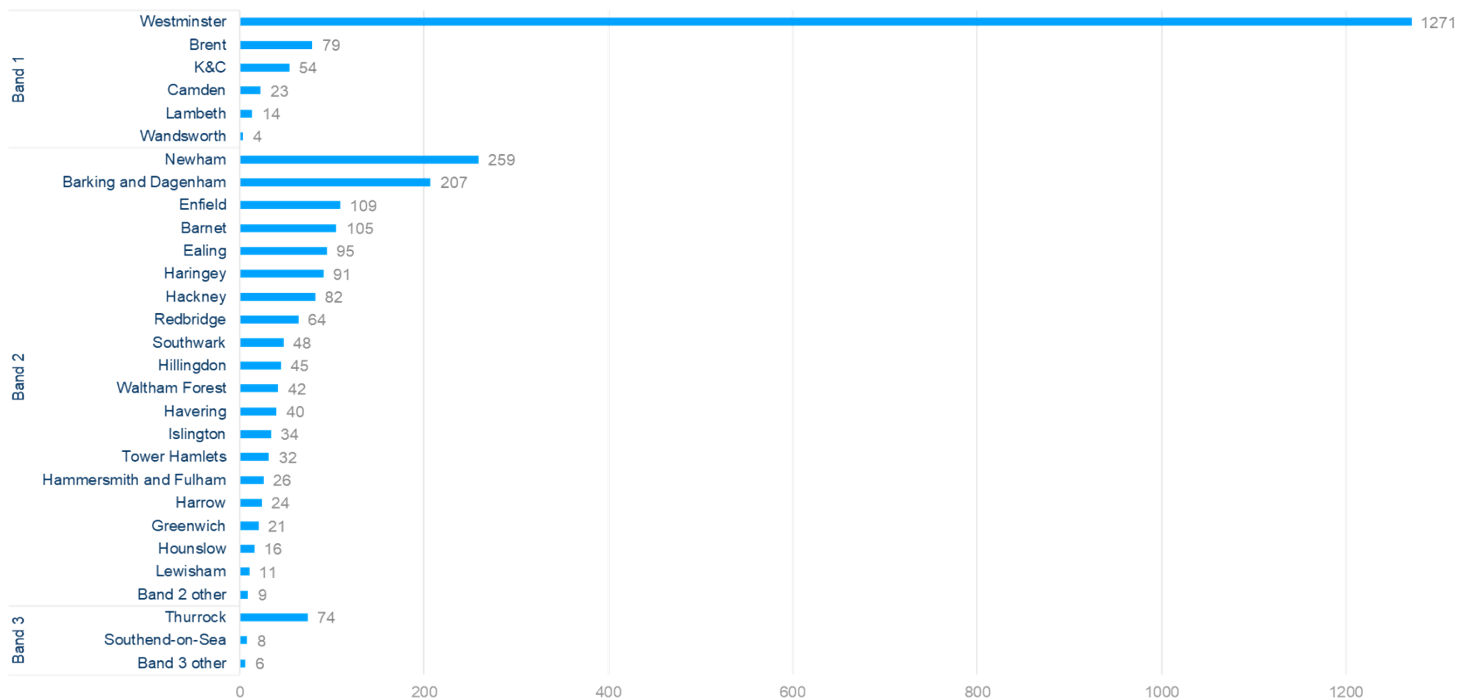
Bed size	Out of Borough	Westminster	Total
Studio/ 1 Bed	331	282	613
2 Bed	696	652	1348
3 Bed	376	265	641
4 Bed	170	58	228
5 Bed +	69	11	80
Total	1642	1268	2910

5.8 43% of Westminster’s TA is located within the borough and the table below breaks down the current provision by borough. 85 properties are located outside

of London, principally in Greys (in Thurrock, Essex). The provision of accommodation outside of the borough is reflective of the limited availability of private sector housing, particularly family sized, available to be leased and purchased for use as TA.

Temporary Accommodation by location

Location of TA



5.9 All London councils place outside of their boroughs, largely driven by cost but also the need to procure quickly. As every borough acquires properties outside their borough London Councils led the development of the pan London agreement on maximum costs and incentives payable, known as the IBBA, and led also to the formation of Capital Letters as the pan London procurement vehicle. More detail on this is included in section 7.

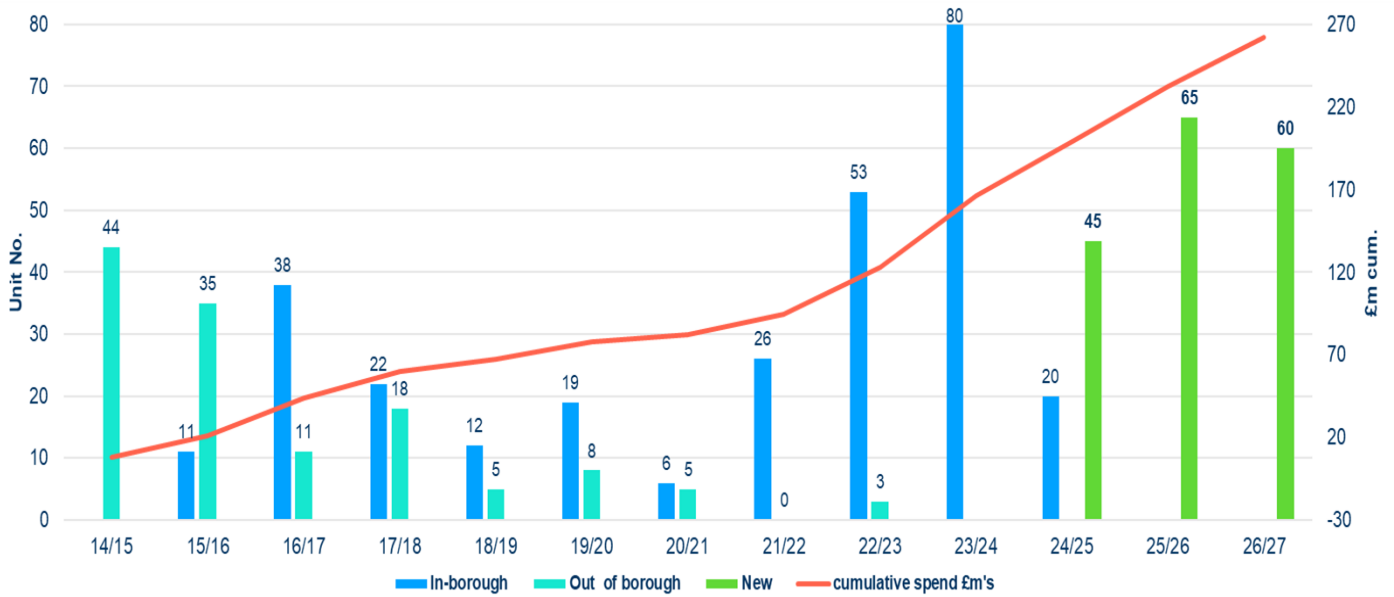
6 Part E: Direct Purchase Scheme

The Council has been directly purchasing properties for use as TA since 2014:

- Since 2014 289 properties purchased, 159 in borough and 130 out of borough at £112.4m
- From 2023 – 26/27 the programme to be significantly expanded to complete a further 270 properties
- Total investment 2023 - 27 £168m, including an £85m uplift in budget

- All properties to be purchased in or near to Westminster with the catchment area currently being defined
- New property purchase team being recruited

The chart below sets out the previous and future property purchase programme details, highlighting the additional investment and delivery of new properties.



7 Part F: The provision of support to households and meeting quality standards of Temporary Accommodation

- 7.1 The Stage 1, Temporary Accommodation (TA) Out of borough Support Pilot is proposed to focus on the immediate housing needs of the family. The service will also address issues that may place the security and stability of the family and household at risk, for example, financial capacity, physical and mental health challenges, and domestic abuse.
- 7.1.1 The expansion of this service through developing a multidisciplinary outreach operations team formed through the expertise of our existing Housing Solutions Service (HSS) and our contracted Floating Support Service (FSS), will provide an intensive support to residents in temporary accommodation to enable them to live more independently.
- 7.2 The resident and family will be supported by a designated families coordinator, who will assess and review the early information of the households' circumstances, consider the cumulative impacts of their placement in TA, location and information relating to their homeless approach, why they have presented to WCC as homeless and to develop a plan from the offer of TA and what heightened support can be offered within a few hours of their accommodation placement.
- 7.3 For some households, signposting to voluntary services such as CAB may be adequate at this stage of the assessment, but this process may also highlight the cumulative factors of the family's needs, children, and travel issues back to Westminster, health needs, language barriers, risks of violence and domestic abuse encountered by the adult, all of which will require the family to receive an immediate referral to the SHP support worker. This will enable face to face meetings, communication, and support to be put in place immediately to ensure a single point of contact for the family is secured and their support offer is consistent and responsive to their needs from the earliest point they take-up the TA placement.
- 7.4 A personal budget plan will be available to the family to ensure additional expenses encountered due to the placement out of borough will be available to support travel costs, essential housing needs and a response to their individual circumstances in the early days and weeks of the placement. This will not be a financial payment to the household but SHP providing vouchers, arranging payments on behalf of the family and sourcing goods and supplies when required. This is to ensure the household's benefits and income is not affected by this source of financial support that will be made available.

7.5 The delivery of this support plan will be key to coordinating the actions with a more flexible approach that can tailor services more easily to the needs of each family. Creating a personal and support plan that includes:

- Provide budgeting advice and income maximisation, including support to obtain bank accounts and ID, debt advice
- Support to access grants and other funding to help families to make applications including food banks, fuel costs etc.,
- Support to claim relevant welfare benefits including Universal Credit
- Options for local schools, new placements for children and access to breakfast and after school arrangements for working families
- Access and support to GPs, NHS registration and services
- Signposting to voluntary and faith organisations
- Transport, operational costs to the family and a management plan to enable options and access to effectively manage this with the family
- Financial assistance through available routes

Each family will be allocated a single key point of contact to manage support while their homelessness application is investigated by HSS and they settle into Stage 1 TA accommodation. Appendix 1, demonstrates the family journey through the process of the pilot.

7.6 The pilot was launched on 9 January 2023 and will operate until 30 June 2023. During this period feedback and communication with families will be completed to establish the key benefits of the work, learning and improvements to be considered.

7.7 Analysis and reporting will be presented to the Cabinet Member in March 2023, to consider future proposals for this service moving forward in 2023, with the financial package required to embed the provision of this service into future TA management. Standards in Temporary Accommodation

Temporary Accommodation Inspections and Standards

7.8 The provision of all TA must be suitable for homeless households in terms of size, cost and location and is a statutory requirement for all local authorities. Every unit must comply with the TA Standards and all the TA Providers are required to meet these standards.

7.9 Once a property becomes void as a re-let and let, the TA Provider must confirm that the property complies with standards and as part of the procedure, a certificate of supply is submitted to Housing Solution Service including property details e.g. gas/ electric certificates etc. Providers are also required to take photographs/ videos of vacant properties before letting. Two examples of photographs submitted are attached

- 7.10 Once a property is let, there is a requirement that properties are inspected by the provider organisation on a regular basis, generally quarterly. Such inspections require arrangements to be made with and the consent of the tenant and provides the opportunity both for the household to raise issues they have and for the supplier to identify and address issues.
- 7.11 In 2020, the Council adopted the Setting the Standard (STS) grading and inspection system as a Pan-London approach to ensure TA, specifically Bed and Breakfast (B&B), Hostels, Houses in Multiple Occupation (HMO) and studio apartments used by local authorities meet minimum quality standards. The project links together a dedicated central inspections team, with a purpose-built STS IT system to share data across the participating authorities.
- 7.12 The benefits of the programme include: annual inspections ensuring that all properties meet a suitable and safe property standard across London, properties are suspended from use until the provider can demonstrate the requirements have been met, official accreditation with the Setting the Standard's guidelines and Performance reports on outcomes.
- 7.13 Officers also receive details of inspections undertaken across other boroughs which is helpful in seeing any quality issues elsewhere for organisations supplying Westminster with properties and whether issues with property quality are more widespread
- 7.14 As part of the HSS contract, there is a team of inspection officers that inspect 500 stage 2 (i.e. the longer term TA) properties per year. This team also responds to specific enquiries and complaints by households themselves, ward councillors etc. as required (in addition to the response by the provider organisation themselves)

8. Financial Implications

The financial implications are included within the body of this report, primarily within section 3.

9. Legal Implications

- 9.1 The council has a duty under the Housing Act 1996 (Part VII), as amended, to ensure that accommodation is made available for homeless applicants who are owed a full housing duty by the council.
- 9.2 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, a number of statutory instruments made under that provision (SIs 1996/3204, 2003/3326 and 2012/2601) and by the Homelessness Code of Guidance for Local Authorities.

- 9.3 When discharging its housing duties under Part VII, the council 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.
- 9.4 The Homelessness Reduction Act 2017 places a duty on Local Authorities to intervene at an early stage to help prevent homelessness and take reasonable steps to relieve homelessness for all eligible applicants, not just those in priority need.

10. Carbon Impact

There are no carbon impact implications directly arising from this report. Properties directly purchased by the Council will be at SAP rating B.

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

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