



TEMPORARY ACCOMMODATION ACQUISITIONS POLICY

LONDON BOROUGH OF EALING

TEMPORARY ACCOMMODATION ACQUISITIONS POLICY

1. INTRODUCTION

This policy sets out the Council's approach to acquiring accommodation to meet the needs of households placed in accommodation to meet or to end a homelessness duty. The TA Acquisitions Policy should be read in conjunction with the TA Placement Policy, which sets out the priorities of the Council in placing households in suitable temporary accommodation.

Ealing Council has a duty to provide temporary accommodation (TA) for households that approach the Council as homeless and who meet the eligibility criteria set out in the Housing Act 1996, Part VII as amended by the Homelessness Act 2002. This Policy covers:

- Provision of interim accommodation under S188 of the Housing Act 1996
- Provision of temporary accommodation under S193 of the same act.
- The offer of a private rented sector offer to discharge its housing duty under S193 (7AA) – (7AC) Housing Act 1996 as amended by S148 (5) - (7) Localism Act 2011.
- The offer of a private rented sector offer as a Qualifying Offer to pre 9 November 2012 Localism Act accepted homeless households.

Our policy aims:

- Acquire a sufficient number of units to meet property demand suitable to the needs of households. (In line with the Council's suitability assessment procedure) This will include TA and Private Rented Sector accommodation to end a Homelessness duty.
- Acquire properties within and in close proximity to the Borough of Ealing where-ever possible.
- Acquire accommodation that meets the requirements of The Homelessness (Suitability of Accommodation) (England) order 2012 and the Council's minimum property standard for temporary accommodation.
- Ensure that rents are affordable to households and the cost of temporary accommodation provision is minimised to the Council.
- Acquire properties in areas where households wish to move where possible, including outside of London.
- Reduce the use of less suitable and more expensive forms of TA including shared B&B accommodation and nightly rate accommodation by investigating and acquiring alternative forms of temporary accommodation:
- Increase the number of units leased, owned and managed by the Council to stabilise cost and raise property standards through direct ownership and management, making best use of existing resources.
- To work with private sector landlords and agents to acquire sufficient numbers of private rented units to end the homeless duty locally and nationally to manage the movement of households through temporary accommodation into permanent

housing and ensure that the temporary accommodation portfolio does not increase over time..

- Continue to work on a sub-regional and pan London basis on relevant TA projects.

2. THE CURRENT TEMPORARY ACCOMMODATION PORTFOLIO

The TA portfolio consists of a number of different schemes and scheme types including emergency accommodation consisting mainly of hostels and B&B and longer term leased accommodation.

The Council's aim is to control the cost to the Council by reducing dependency on nightly paid accommodation and replacing this with in-house hostels and leased units. The Council aims to retain as many long term leased units as possible as close as possible to available housing benefit subsidy levels. In addition the Council aims to improve the quality of the TA stock and provide more stable and sustainable accommodation for households. The portfolio will continue to reflect the bed-size requirements of homeless households.

In terms of homeless households on the Council's Housing Register, not all homeless households have registered on LOCATA¹ but of the 1383 homeless households currently registered for social housing. (source LOCATA- January 2016)

- 240 (17%)) require 1 bedroom accommodation
- 445 (32%) require 2 bedroom accommodation
- 431 (31%) require 3 bedroom accommodation
- 178 (13%) require 4 bedroom accommodation
- 88 (6%) require 5 or more bedrooms.

The majority of households need two or three bedroom accommodation and the demand for two bedroom units is likely to increase in future as smaller families are impacted by Welfare Reform caps in the private sector. The Council's aim is to stabilise numbers in TA by April 2016, maintain a portfolio of approximately 2,400 properties (including emergency accommodation) in 2017/18.

3. ESTIMATED DEMAND FOR TEMPORARY ACCOMMODATION

The levels of homeless presentations have steadily increased over the past four years. The Council accepted 994 households in 2014/15, with the vast majority requiring TA to meet their housing needs.

Along with many other London Councils, Ealing has experienced a significant increase in demand in recent years. Over 50% of households becoming homeless have lost their private sector tenancy usually because they could no longer afford the rent. Additional factors such as the introduction of welfare reform caps; restrictions on mortgage eligibility criteria; decrease in social housing lettings; and building of new homes not meeting the required

¹ Locata is the web based IT system which provides the Council's Housing Register.

demand, have further reduced the housing pathways for many households, so significantly increasing demand for Council assistance with housing.

Table 1 – Homeless Applications and acceptances

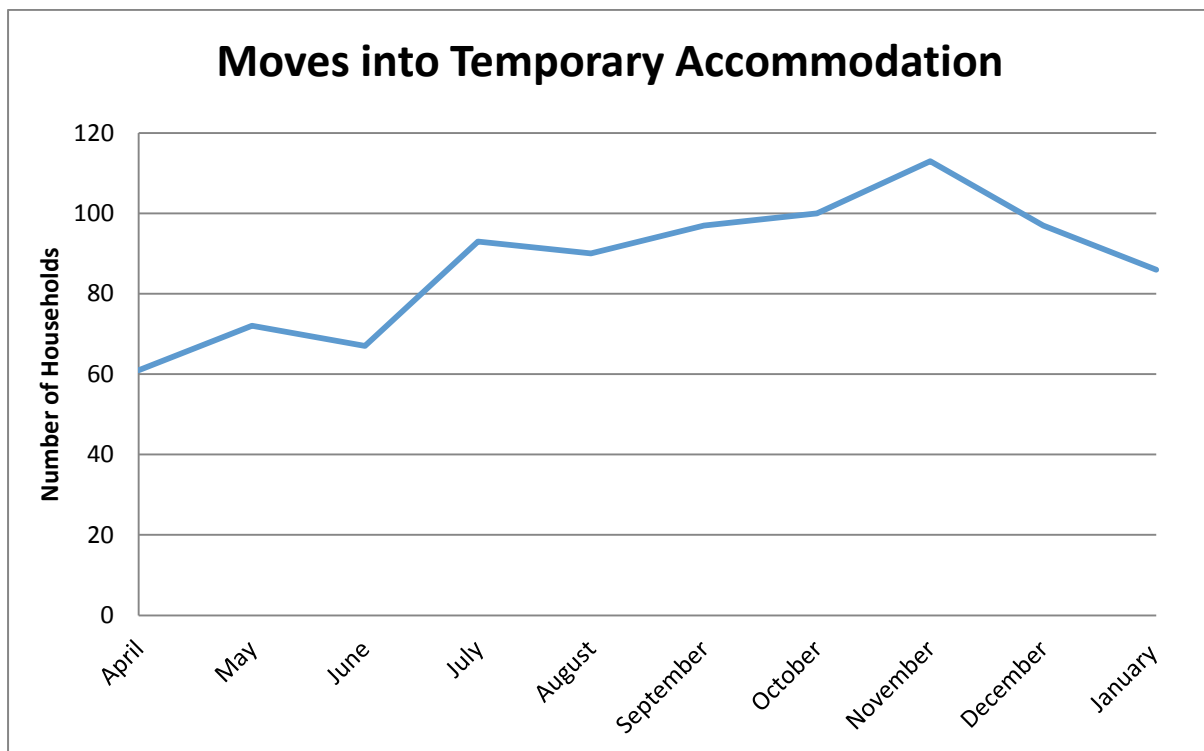
Metric	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Homelessness applications	998	1107	1893	2008	2398
Number of Homelessness acceptances	439	381	596	944	685

Although numbers in 2015/16 have started to stabilise it is likely that further welfare benefit reform caps and a reduction in the supply of affordable housing for benefit dependent households is likely to lead to a further rise in future.

To contextualise the increased demand, the Council is making on average 82 placements into temporary accommodation each month (Table 2), and we are unlikely to see this figure decreasing in the near future. In parallel to increased resident demand, the Council is experiencing increased difficulty in acquiring suitable temporary accommodation and private rented sector accommodation for a number of reasons including, but not limited to: welfare reform changes including LHA reductions and benefit capping; significant private rented sector rent increases, above LHA levels; reducing social housing lets affecting throughput; more stringent mortgage application criteria and general shortage of properties to buy and rent.

The Council is dependent upon a constant supply of accommodation to meet the needs of households who have been required to leave their previous accommodation and need emergency assistance, often without forewarning and not allowing the household to find alternative accommodation. This has unfortunately led to the Council being required to place households into shared facility accommodation such as Bed and Breakfast type accommodation and into accommodation outside of Ealing Borough, in some cases out of London. The situation is unlikely to improve in the foreseeable future.

Table 2 – Monthly placements in TA



MOVES IN & OUT OF TA

Even given an emphasis on homeless prevention, which remains a primary objective for the housing demand service, we envisage that numbers of placements into temporary accommodation are likely to increase over the next few years for the reasons already outlined.

Around 82 households are placed into temporary accommodation on average each month and given that future subsidy will be paid on a block grant basis in advanced based on the existing portfolio from 2017/18 it will be essential to ensure that the numbers moving into temporary accommodation are at least balanced by the numbers leaving temporary accommodation and moving into permanent forms of housing. (Social housing and placements in the private rented sector)

ACQUISITIONS ACTIVITIES

Our policy is to meet our statutory obligations whilst minimising the cost to the General Fund by acquiring accommodation as close as possible to subsidy level, securing best value for money, acquiring good quality accommodation and management services and maintaining long-term control over costs where-ever possible.

In recent years, the Council has developed a diverse approach to acquiring properties and will continue to do so to meet TA and private rented sector demand by:

Working with existing suppliers

Through compliance monitoring and ongoing discussions, the Council will work with existing managing agents and landlords to increase affordable supply of TA, whilst reviewing and maintaining existing accommodation portfolios to ensure value for money and improve property standards where possible.

Identifying and working with new suppliers and landlords

The Council continues to increase accommodation supply by ensuring that Officers are contacting and visiting potential new suppliers and landlords. The Council will continue to advertise through local papers and other sources, and hold landlord forums to ensure that the Council is supporting and working in partnership with providers and landlords.

Leasing from Registered Providers (RPs) and Developers

The Council has expanded its own self-managed hostel portfolio by leasing a number of former hostels and units earmarked for regeneration in previous years, providing a local supply of accommodation. The Council continues to engage with RPs and Developers to consider the feasibility of leasing such units.

In-house PSL service.

Historically the Council has worked with managing agents and suppliers who provide the accommodation and receive an additional management charge. The Council aims to build a portfolio of self-managed directly leased accommodation in future with a view to reducing overall TA costs, improving property management standards and creating a direct relationship with property owners.

Directly purchasing properties.

The Council has been purchasing properties since 2014, and is considering different purchase methods including off-plan bulk purchase as well as spot purchase of individual properties. The Council will undertake a suitability (in accordance with our Placement Policy) and financial feasibility study on a scheme by scheme basis. Properties will be targeted in borough and as close to the Borough as possible where this is not possible. We aim to increase the supply of these properties significantly over the next 5 years to decrease dependency on B&B and increase the supply of suitable accommodation.

Use of Regeneration units

The Council and partner RPs are undertaking large scale estate regeneration across the Borough, which leads to vacant units becoming available prior to demolition. The Council currently directly manages and leases accommodation to suppliers to use the empty flats for TA. The Council will continue to review its regeneration projects, and will utilise units when they become available and suitable for use.

Increasing capacity in the Council Hostel stock.

The Council continues to improve its hostel stock, to meet required standards, and to maximise the individual hostel potential, by increasing capacity through refurbishments and demolition.

Modular Homes.

The Council has identified a number of sites suitable for modular home developments, and subject to planning permission, intends to have the first modular homes on site in 2016. The Council will continue to review new available sites, especially on regeneration projects, where the temporary nature of this accommodation type can be utilised.

Sub Regional and Pan London Working

The Council is part of the LB Brent Council led framework agreement to acquire accommodation in and outside of London, based on a set price formula. The Council is utilising the framework to acquire units in a variety of locations.

The Council will continue to participate in pan London actions to improve TA supply, including the Nightly Rates Agreement, and complying with the Inter Borough Accommodation Agreement for acquiring in other London boroughs.

PROPERTY LOCATION

With surrounding Councils experiencing similar levels of homeless presentations and TA supply requirements, the Council has and will continue to experience high levels of competition for properties in the private rented sector to meet the TA demand. Therefore the Council will need to acquire TA and private sector lets in a variety of locations beyond Ealing, whilst noting the guidance requiring authorities to acquire as far as reasonably practicable within their own Borough.

Given the levels of demand and cost of accommodation it is certain that the Council will not be able to meet temporary accommodation using need within the borough. There are also severe challenges in acquiring properties in nearby boroughs most of which are experiencing steeply rising property prices and increasing private sector rents.

Around 1/3 of households are currently placed out of borough of the 2423 in TA on 30th September 2015, 801 were placed out of district following a suitability assessment (P1E statistics). The majority are currently placed in other London boroughs and or within 10 miles of the borough boundaries. However further reductions to the benefit cap will necessitate the acquisition of units even further afield if accommodation is to be affordable and therefore suitable and the four year freeze in LHA rates are likely to lead to a decrease in the number of properties affordable to benefit dependent households over the next 4 years (See my comments in covering email on affordability issue)

Percentage of rents affordable to benefit dependent households in Ealing

Rental area	2015/16	2016/17	2017/18	2018/19	2019/20
Outer West	25.70%	15.60%	13.30%	12.20%	9.50%
Inner West	26.50%	20.90%	14.60%	13.60%	10.10%

(Source - London Councils.²)

The Council will where-ever reasonably practicable try and secure suitable accommodation in the Borough of Ealing, to allow households to maintain their existing networks such as employment, schooling, medical care, family and social support networks. However with local supply shortages, it may be that a household is placed in the nearest available suitable accommodation available to the Council on that day. The Council will work with households to find alternative accommodation, whilst being mindful of current prevailing housing pressures that affect the Council on a daily basis, and taking into consideration the individual needs of households requiring assistance, either on that day in emergency situations or for households awaiting transfer. Our policy is to acquire properties as close to the borough as possible, mainly to the West of Ealing.

In addition the Council will target areas where the local Housing Allowance is greater than the average market rental making property more affordable to our clients.

The Council has split the temporary accommodation priorities into 3 separate areas, which are

- Zone 1 - Offer of accommodation within Ealing Borough
- Zone 2 - Offer of accommodation within the West London Boroughs, or within 60 minutes travel time (on public transport or private vehicle) to the nearest boundary of Ealing Borough, which can include West London Boroughs and other Boroughs inside and outside of London.
- Zone 3 - Offer of accommodation in any other area, which may be inside or outside of London.

The Council's Acquisition officers are instructed to focus on Zone 1 and Zone 2 areas first only moving to Zone 3 when there is no available supply locally, including affordable units or where households have indicated specific areas where they would like to relocate. Acquisitions Officers liaise with accommodation providers and check relevant websites on a daily basis for new supply. Similarly in purchasing properties the Council will seek to purchase schemes as close as possible to the borough provided that they are viable in terms of our financial model.

Whilst there is no legal bar to accommodating households outside of Ealing Borough, it is increasingly likely that local private rented sector rent levels will be significantly higher than LHA levels and affordability for low income households based on current trends in Ealing.

² Tracking Welfare Reform – The impact of freezing LHA rates in London (October 2015)
<http://www.londoncouncils.gov.uk/our-key-themes/tracking-welfare-reforms/resources/impact-freezing-lha-rates-london>

The Council is under obligation to provide services, including accommodation, within the budgetary limits it has set, and to seek value for money. For these reasons it is not possible for the Council to pay accommodation costs for properties in the Borough, or in any area where to do so would create an unmanageable financial imbalance between the maximum obtainable rent and the amount payable to the agent or owner. In seeking to provide suitable accommodation in the borough or as close to it as possible the Council must be mindful of its obligations to the Council Tax payer and other sources of funding. These considerations represent a significant impediment to obtaining as many units of TA in the borough or nearby as would be desirable to fulfil the principles of this policy and the TA Placement Policy.