

Item No. 8.	Classification: Open	Date: 9 March 2021	Meeting Name: Cabinet
Report title:		Temporary Accommodation Policy and Action Plan	
Ward(s) or groups affected:		Electoral ward(s); All	
Cabinet Member:		Councillor Helen Dennis, Social Support and Homelessness	

FOREWORD FOR COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR SOCIAL SUPPORT AND HOMELESSNESS

To say that we have reached a national crisis in temporary accommodation is not an exaggeration. Shelter have estimated that there are now over 250,000 people in temporary accommodation across the UK, including many children, with an already desperate situation worsened by the COVID pandemic. London is disproportionately impacted and in Southwark, with over 3,000 households placed in temporary accommodation at the end of 2020, the challenge of finding appropriate and affordable accommodation for residents is immense.

This report brings forward an action plan for the ongoing procurement of temporary accommodation, fully utilising the Council's own stock including through a reassessment of properties awaiting redevelopment on the Aylesbury Estate, whilst also giving the Council more flexibility to find good quality accommodation in a greater range of locations for leasing and to support private rented sector offers. We do not make this latter change lightly – searching for appropriate housing in Southwark and as close to Southwark as possible remains a core principle in line with legislation. However given the constraints of the Local Housing Allowance and the Benefit Cap which continue to price people out of the area, the Council is having to broaden its search. As set out in this report and detailed in our policies, households will continue to receive up to two offers, and will retain their right to bid for council housing in Southwark. The impact of this policy change will be closely monitored including through a new annual Temporary Accommodation report, which will be presented for scrutiny.

Alongside this change, we are bringing forward a significant investment in quality through our new Good Homes Standard for Temporary Accommodation. This builds on our existing commitment not to use Bed & Breakfast accommodation for families, recognising that 'Temporary Accommodation' can actually be someone's home now for several years, especially given the growing waiting list for general needs council housing and reduced number of lets. Among other things, the Southwark Good Homes Standard, will improve

tenure security for those in temporary accommodation, and also seek to secure essentials like a cooker and fridge for people, when they first move into a property.

Alongside these policy papers and action plan, we have approved an additional £4m for temporary accommodation through the budget process, in order to meet the increase in demand that we've seen as a result of the COVID pandemic, and to meet the anticipated demand going into 2021/2 especially as arrears have built up in the private rented sector. We have also brought forward a related Empty Homes Action Plan, which signals our determination to use every power available to the Council to bring empty properties back into use. Southwark is committed to doing all we can within a constrained budget, to support our residents who find themselves without a home but ultimately, the Temporary Accommodation crisis will only be solved with a focus on the root causes of homelessness, the building of more social housing, and a more accessible and secure private rented sector.

RECOMMENDATIONS

Recommendations for Cabinet

1. That Cabinet notes the Temporary Accommodation Policy and Action Plan Report and agrees to publish and implement The Southwark Good Homes Standard (for homeless households) (Appendix 6).
2. That Cabinet agrees an annual temporary accommodation (TA) scrutiny report be produced.
3. That Cabinet notes homeless households in temporary accommodation placed outside of the borough will retain their rights to bid for Southwark's permanent social housing.

Recommendation for the Leader of the Council

4. That the Leader of the Council delegates authority to the Cabinet Member for Social Support and Homelessness to bring forward an IDM to agree:
 - a. The revised *Accommodation Procurement Policy for Homeless Households* (Appendix 1) including a revised Temporary Accommodation Supply Action Plan.
 - b. The revised *Private Rented Sector Offers Policy for Homeless Households* (Appendix 2).
 - c. The revised *Temporary accommodation lettings framework* (Appendix 3).

INTRODUCTION

5. This report aims to deliver revisions to existing approved policies to expand on our provision and access to good quality and affordable housing solutions for homeless families and individuals. This also meets

key priorities of our Homelessness Strategy 2018-22, namely preventing, tackling rough sleeping and responding to the local housing market.

6. Revisions to the existing homelessness policies aim to increase access to affordable and suitable accommodation as well as introducing the Southwark Good Homes Standards. The new policies:
 - remove restrictions on geographical limitations for procuring good quality homes,
 - confirm a standard for PRS and temporary accommodation homes,
 - confirm an approach to offer shared temporary accommodation for singles.
7. The approach remains in line with legislative requirements, government guidelines, relevant case law and our fairer future commitments. The first priority is still to secure good quality, affordable accommodation in Southwark and where this is not possible to secure then to look at areas as close as possible to Southwark until good quality, affordable accommodation is secured.

BACKGROUND INFORMATION

8. The council has certain duties towards homeless persons as set out in the Housing Act 1996 Part VII as amended (HA96), and the Homelessness Reduction Act 2017 (hereafter referred to as HRA17), including the duty to carry out enquiries to establish the level of duty owed to a household. If the Council has reason to believe that a homeless applicant may be eligible, homeless and in priority need, it has a duty to ensure that suitable temporary accommodation (TA) is available to the household.
9. The Homelessness Reduction Act 2017 (HRA17), introduced relief duties, following on from new prevention duties, requiring councils to take reasonable steps to help secure accommodation for any eligible person who is homeless for up to 56 days.
10. Where a main housing duty is accepted then the household remains in TA until they are permanently rehoused or until the duty ends for any other reason. In recent times this has meant waiting for a Part 6 offer of social housing. Supply is being outstripped by demand in this respect and causing an increase in TA numbers.
11. The background leading to the implementation of these policies in July 2019 is set to a national housing crisis, a rental market that is largely unaffordable due to central government welfare reforms and a continued fall in social housing annual lettings due to the Right to Buy outstripping our own ambitious 11,000 new homes project.
12. The Local Housing Allowance (LHA) rates and benefit caps set by central Government now make it almost impossible to re-house people into private rented accommodation locally in Southwark and the available

move on options through the allocation of a social let has further decreased in the last 5 years by 38%. With 1,684 lets in 2014/15 compared to 1,037 lets in 2019/2020. Therefore resulting in residents occupying temporary accommodation for longer periods.

13. The previous customer journey prior to June 2019 policy implementation provided fewer opportunities of being re-housed into permanent affordable housing within a short time period. Homeless people were staying in TA between 3 to 4 years on average to be re-housed in permanent accommodation. This challenges the very concept of temporary accommodation whilst households await the security of settled accommodation.
14. As a result, following a thoughtful assessment of the homeless people's needs and an honest, holistic, transparent enabling approach, a new service was designed to have fewer people in temporary accommodation. Homeless people would still receive housing advice, assistance and support when needed and the service offer was designed to ensure the best accommodation is offered to homeless people in need, but the offer would not rely on expensive temporary accommodation.
15. Housing Solutions redesigned its service with the aim of making Private rented Sector Offers (PRSO) to households, as an option, where appropriate, at an earlier stage in homelessness prevention and relief activities. This re-design followed the best practice examples already adopted by councils in London.
16. The Procurement Policy (Appendix 1) is required to demonstrate Southwark's procurement and allocations following the Supreme Court decision in *Nzolameso v Westminster City Council*. The Private Rented Sector Offer policy (appendix 2) is required to give effect to existing provisions in Southwark's Housing Allocation Scheme to discharge housing duty to statutory homeless households by making a PRSO, subject to suitability and compliance with the Homelessness (Suitability of Accommodation) Order 2012. The Lettings framework (Appendix 3) is required to evidence compliance with the 1996 Housing Act (as amended) and the Localism Act 2011.
17. A large number of recent reports have demonstrated the negative effects of homelessness and temporary accommodation on people's physical and mental health and more stable, settled accommodation available in the private rented sector may contribute to resolving this.¹
18. The net cost to the council's General fund for providing temporary accommodation for homeless households in 2016/17 was £3.7m and in 2017/18 was £4.8m. Following the recent pandemic it is anticipated that

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https://www.local.gov.uk/sites/default/files/documents/22.7%20HEALTH%20AND%20HOMELESSNESS_v08_WEB_0.PDF

the net cost could reach in excess of £9m in 2020/21. This does not include the costs of the Housing Solutions Team or costs contained within the Housing Revenue Account (HRA). Therefore, there is now growing pressures on the council's finances and provision of accommodation.

19. While demand for housing and homelessness has steadily increased over the past few years, this has grown much more rapidly both in Southwark and across London. There are now over 3,000 households in TA at the end of 2020, whereas in April 2011 there were under 1,000. Table 1 below shows the homelessness approached recorded by Southwark Council as an indicator of the growth in homelessness demand over the last decade.

1. Table 1:

Year	Homeless approaches
2011-12	1,013
2012-13	1,049
2013-14	1,086
2014-15	1,822
2015-16	2,253
2016-17	2,354
2017-18	2,607
2018-19	2,953
2019-20	2,841
2020-21	2,884 (as at Dec 2020)

20. In response to this growing demand and recent further spike as a result of the impact of Covid-19 and likely ongoing impact, especially in the PRS, the provisional general fund budget arrangements for 2021-22 has allocated a further £4m in anticipation of ongoing temporary accommodation costs.

The existing homeless policy framework

(1) Accommodation Procurement Policy (Appendix 1)

21. This policy responds to the acute difficulties in procuring sufficient temporary accommodation within Southwark and London for homeless households. It provides an action plan for meeting demand and sets out

procurement principles that will be followed for sourcing properties, both for temporary accommodation and for private rented sector offers. Legal and procurement advice was sought and provided.

Aims of the policy

22. The policy aims to provide enough housing for homeless households to meet demand. It aims to contain temporary accommodation costs by ensuring that supply is affordable to the council and within subsidy levels and this is a key procurement principle. The policy also aims to ensure that housing, for both temporary accommodation and for private rented offers, is affordable to low income households and within benefit levels, so it is sustainable in the longer term. This means that some properties procured will be outside London.
23. The policy also aims to ensure that locations where properties are procured are suitable for homeless households.
24. A wrap around support service will be provided to households that are being made private rented offers where they are relocating outside London and where they are moving within London where this is needed.

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

25. This set out that an offer of a suitable private rented tenancy may be made to any homeless household where the law allows. The policy acknowledges that a private rented sector offer is not appropriate for everyone. It excludes households which the council determines would be unable to manage a private rented sector tenancy and for households needing sheltered or wheelchair accessible housing. In these cases social housing will continue to be offered.
26. In order for private rented offers to be affordable to homeless households within benefit levels (or as close as possible), many of these offers are likely to be outside London. Support will be offered to households relocating outside London and to other households where needed, in order to minimise adverse impacts and to enhance the prospects of relocated families integrating into the new area.
27. The policy aims to reduce temporary accommodation use and contain costs by offering homeless households private rented housing, as an alternative to them spending many years in temporary accommodation waiting for social housing. The policy also aims to help to improve outcomes for homeless households in that they will receive a quicker permanent offer of housing, in an area where they are able to settle and put down long-term roots.
28. Every effort will be made to find affordable properties in Southwark or as close to the borough as possible and the evidence in the Accommodation Procurement Policy (Appendix 1) supports this by assessing availability

and affordability in Southwark and exploring incrementally outwards from the borough.

29. Accommodation will normally only be procured if it is affordable. Under the existing welfare reform conditions, it is necessary to ensure that households are not placed in accommodation that will result in them enduring avoidable financial hardship. Equally, it is not the intention of the policies for the council to have to provide ongoing financial support to cover housing costs for large numbers of households as this would be financially unsustainable given the significant financial pressures on public services.
30. Independent research² has also shown in June 2017 that 23 London local authorities were already discharging duty into the private sector, up from 18 two years earlier. The research found that nearly 2,500 households were given offers of private sector discharge across London in 2016: 20 per cent of these offers were in another London borough to where the homeless duty was owed and 15 per cent of the offers were for private tenancies outside London.
31. Due to this shortage of affordable accommodation, out of borough placements into more affordable areas have become more prevalent particularly across London and the South East generally. In London, the data shows that 37% of households placed in temporary accommodation are placed in a different borough to the one which owes them a duty³. In comparison, in quarter one, 2010/11; the equivalent proportion was only 13%.

(3) Temporary Accommodation lettings framework (Appendix 3)

32. One of the outcomes described above is that, while the council will continue to seek accommodation within Southwark wherever possible, more housing for homeless households are likely to be outside London. This policy sets out how households will be prioritised for properties, both for private rented sector offers and for temporary accommodation, in different locations.
33. Over the last 5 years, there has been a 70% increase in homeless approaches to the local authority which has been further amplified with the recent Covid 19 pandemic.
34. A snapshot comparing the out of borough TA placements just before the implementation of the policies and the current performance can be seen in Table 2.

² www.lag.org.uk

³ Statutory homelessness and prevention and relief live tables: October to December 2016 (Table 775)

Table 2

	Tier 1	Tier 2	Tier 3	Tier 4	
Date	Southwark	Surrounding boroughs	Other London boroughs	Other areas within M25	Total
1 Jun 2019	1,631	715	305	63	2,714
1 Oct 2020	1,673	730	873	91	3,367
% Increase	2.6%	2.1%	174%	44%	24.1%

35. It is noted that an increase in temporary accommodation has meant there has been a requirement to also source accommodation outside of Southwark, with the greatest increase coming from other London boroughs.
36. Southwark has operated within the PRSO policy so that residents are able to source the property independently through our Self Help Scheme or through the assistance of Southwark Council whom have built up a number of links to access private accommodation.
37. In each instance, the council will conduct a number of checks to ensure the property is affordable, meets the needs of the household and is at a standard of quality in which residents would be happy to reside.
38. Table 3 shows that from the implementation of the Temporary Accommodation allocation, procurement and PRSO policies on the 19 June 2019 the number of residents placed into PRS accommodation.

Table 3

	Property outside Southwark	Property within Southwark	Total
Property found by Resident	175	73	248
Property found by Southwark	275	64	339
Total	450	137	587

Data from 1 July 2019 – 22 Oct 2020

39. The data above shows 80% of lets were successful found outside of the borough. Presenting suitable options for residents.
40. In the financial year 2019/20 this policy contributed to the Housing Supply team achieving an 85% increase in the number of PRSO lets.
41. From the data in Table 3, Southwark discharged duty to 467 households whom the council owed a statutory duty. The remainder of PRSO is made up of a combination of residents whom secured accommodation just after the statutory duty had ceased or residents whom required a move under other grounds such as council tenants required to leave the borough.

42. The council will need to be alive to the possibility there may be less requirement for residents to travel into London for employment purposes as a result of covid-19 and therefore consideration of other areas will also be an option for a number of residents.
43. Accommodation in the private rented sector within Southwark is often not affordable for many residents whom approach the council. The local housing allowance (LHA) sets the amount of housing support paid out either as part of Universal Credit (UC) or under the legacy Housing Benefit, to those living in the PRS. LHA rates are set by calculating the 30th percentile of rents in 'Broad Rental Market Areas'. In Southwark's case, the area includes neighbouring boroughs where rents are cheaper. The shortfall between LHA rates and private rents in Southwark is stark as shown in Table 4:

Table 4

Accommodation type	20/21 LHA rate	Effective monthly LHA rate	Median rents in Southwark (Jan 2021 ⁴)	Gap between LHA and rents
Shared Accom. Rate	118.87	515.10	700	-267.92
One bedroom	264.66	1,146.86	1,517	-562.84
Two bedroom	310.68	1,346.28	1,800	-559.67
Three bedroom	385.48	1,670.41	2,058	-556.8
Four bedroom	506.30	2,193.97	2,500	-607.07

44. The benefit cap currently means that even if there is an increase to the LHA, as there was in March 2020, along with any uplift to monthly UC payments, as part of the emergency coronavirus measures, many people will not feel the benefit. In Southwark, between February and August 2020 the number of households receiving UC who were affected by the benefit cap rose from 300 to 1,320⁵. In most cases these households had pre-existing UC claims, and worsening financial circumstances meant they had to claim more which therefore took them to the benefit cap. For new claims since March 2020, the Government has implemented a nine-month grace period in which the benefit cap has not applied. As the grace period ends for households who have been claiming for more than nine months, it is likely that the numbers affected by the cap will increase even more.
45. For reference, the 2020 household income for benefit claimants living inside the Greater London area gets capped at:
- £1,916 per month (£23,000 a year) for a couple (whether your children live with you or not).

⁴ Median Advertised Rents in Southwark, from [Southwark Housing Market Trends Bulletin, January 2021](#)

⁵ Figures from DWP Stat-Xplore. Summary of calculations available on request. Accessed 27/11/20.

- £1,916 per month (£23,000 a year) for a single person whose children live with them.
 - £1,284 per month (£15,410 a year) for a single person without children or your children do not live with you.
46. The 2020 household income for benefit claimants living outside the Greater London area gets capped at:
- £1,666 per month (£20,000 a year) for a couple (whether your children live with you or not).
 - £1,666 per month (£20,000 a year) for a single person whose children live with them.
 - £1,116 per month (£13,400 a year) for a single person without children or your children do not live with you.
47. As the benefit cap levels show, the majority of non-working households are being capped as a result of the housing element requiring most of their benefit entitlement before living costs are even taken into account. Properties are therefore judged to be not affordable and therefore not suitable once a full affordability assessment is completed in compliance with homelessness legislation.

SUMMARY OF CHANGES PROPOSED

48. The following revisions are proposed to extend our provision of quality services and access to affordable housing solutions for homeless families and individuals.

Appendix 1: Accommodation Procurement Policy for Homeless Households

49. Revise 4th bullet point under paragraph 21 from “The council’s first priority will be to secure accommodation in Southwark, where it is not possible to secure good quality affordable accommodation in Southwark the council will next look in surrounding boroughs, then in other London boroughs and then in other areas within the M25. The council will also work to secure accommodation for those households who wish to live outside of this area.” to “The council’s first priority will be to secure accommodation in Southwark, where it is not possible to secure good quality affordable accommodation in Southwark the council will next look in surrounding boroughs, then in other London boroughs and then in other areas increasingly further afield. The council will also work to secure accommodation for those households who wish to live outside of this area.”
50. Revise text on Chart 1 on page 5 from “Other areas within the M25” to “Other areas increasingly further afield in line with the policy”.
51. Revised action plan with updated targets on the number of properties to be procured by the service. This also includes both private rented accommodation and temporary

accommodation to encompass the varying needs of the service. This will be monitored within and service and form part of the annual scrutiny report on accommodation procurement.

Appendix 2: Private Rented Sector Offers Policy for Homeless Households

52. Remove the 3rd bullet point under paragraph 13: “Accommodation will be in or close to Southwark. Unless the household requests a move to a location that is further away, the accommodation offered will be within 90 minutes reasonable journey time by public transport from the address the household was living at before they became homeless and will also be within the M25. Travel times will be measured using the Transport for London online Journey Planner.”

Appendix 3: Temporary Accommodation Lettings Framework

53. Remove paragraph on page 3: “Unless you request accommodation in a location that is further away, we will offer you accommodation within 90 minutes reasonable journey time by public transport from where you were living before you became homeless, this will also be within the M25 area. Travel times will be measured using the Transport for London online Journey Planner.”
54. Amend text on diagram on page 3 from “Other areas within the M25” to “Other areas increasingly further afield in line with the policy”
55. Amend end of 7th bullet point on page 5 from “90 minutes travelling distance by bus of their school or college, alternatively where the journey is possible within 90 minutes by train, tube or tram but not by bus the council will meet the cost difference between the bus fare and the fare using the train, tube or tram” to “Applicants who have as part of their household, a child or children who are enrolled in public examination courses in Southwark, with exams to be taken within the next six months.”
56. Remove 6th paragraph on page 6. “If you wish to keep your children in their current school the council will seek to offer you accommodation within 90 minutes journey time by public transport from their school. Where this journey to take the children in your household to and from this existing school is possible within 90 minutes by train, tube or tram but not by bus the council will pay the difference in cost between the bus fare and the fare using the train, tube or tram”

Appendix 6: Southwark Good Homes Standard (for homeless households)

57. The Southwark Good Homes Standard (for homeless households) (Appendix 6) sets out standards for accommodating homeless households, with the same standard for both temporary accommodation

and PRS tenancies for instances where the council discharges its housing duty.

58. Therefore the Accommodation Procurement Policy for Homeless Households (Appendix 1) and the Private Rented Sector Offers Policy for Homeless Households (Appendix 2) will apply the Southwark Good Homes Standard (for homeless households).
59. The proposed Southwark Good Homes Standard for homeless households would move all families from nightly paid accommodation into Private Sector Leased accommodation or Private Rented Sector where affordable. The Good Homes Standard would also build on and advance the council's work which eliminated the use of Bed and Breakfast accommodation usage by families in November 2017, by providing tenancies to all homeless families after 28 days, something which is currently not achieved by the Housing Solutions service.
60. The council's current framework to provide accommodation for homeless households does not meet the following elements of the proposed Good Homes Standard:
 - Has a tenancy in the household's name (with a rent review clause to ensure any future increases are fair and reasonable). At the moment this standard is not implemented for Nightly Paid households. However, for all other households this standard currently exists.
 - The accommodation provided is self-contained for families, with inclusive bathroom and kitchen. The council's hostels do not currently meet these criteria and some households before COVID19 have been placed in shared accommodation. There are some homeless households still living in council owned and managed shared hostels, but these households are not sharing facilities with other households or are single households.
 - Has a cooker that is in good, clean, working condition. This is not a standard currently available in 100% of our temporary accommodation properties.
 - A written contract, including clear details of when and how your rent should be paid. At the moment this standard is not implemented for Nightly Paid households. However, for all other households this standard currently exists.
 - Clear guidance provided to ensure residents are aware of an escalation process for repairs and health and safety elements within the property that do not meet the standard. This includes the ability for the Council's Housing Supply Team to conduct a joint inspection to resolve the issue.
61. To achieve the good homes standard, it can be shown that those households in private sector leased accommodation, within the existing framework, cover the majority of the proposed Good Homes Standard. However, this is not the case for Nightly Paid accommodation and hostels used for families.

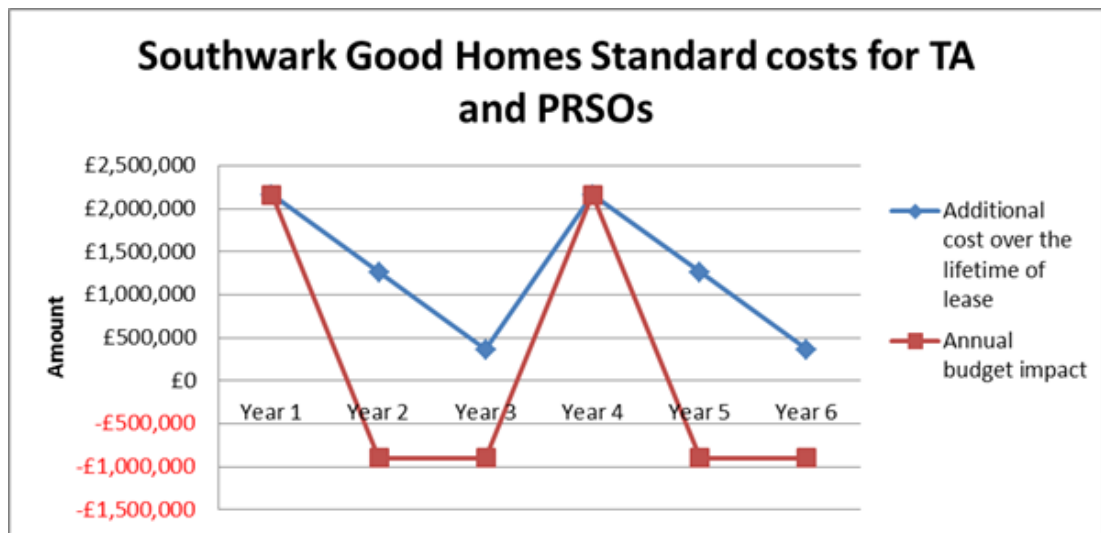
Cost assumptions

62. It is assumed that any current homeless household in Private Sector Leased accommodation will remain within that accommodation. There are approximately 1,000 homeless households currently living in this accommodation, all within London, which meet the proposed standard.
63. The payment of incentives will need to continue to be paid to Private Sector landlords through the existing framework, which is assumed will remain as is. The average cost of the incentive payments per property is £3,000, which is a recurring cost to the authority every three years.
64. The Good Homes Standard required properties to have a cooker that is in good, clean, working condition, as well as a fridge. Based on the current take up, an allowance has been built in to the financial model for those properties currently in nightly paid and shared accommodation.
65. Meeting the good homes standard for TA only within the proposed policy framework set out in this paper and within the current framework, would require upfront incentive payments of £2.8m in year one to procure leased properties.. The incentive costs are based on the existing homeless households and assume all properties met the standard from the 1st April 2021 and remain in the accommodation for the rest of the financial year.
66. A further cost for white goods of up to £265,000 (if half the households not currently in leased TA needed a cooker and fridge) would also be required. The costs set out above refer to TA meeting the Good Homes Standard within the proposed policy framework set out in this paper for temporary accommodation.
67. The Good Homes Standard would also apply for all PRS offers and is estimated to add a further white goods cost of £142,000 per annum. Incentives and rent deposits for these properties are already provided where duty is likely to be owed.
68. However, each year there would be a saving in the net cost of the leased properties, compared with nightly paid self contained, of nearly £1.1m, therefore over the three years it is estimated to cost an additional £360,000, with the majority of expenditure occurring in year one. This additional cost would decrease if the policy change of allowing singles households to move into shared nightly rate TA, any moves into PRS or if any households moved outside of London (where incentives are currently lower).

Southwark Good Homes Standard (Graph 1):

69. This graph shows the cost of the good homes standard over the lifetime of the lease (the cumulative cost across the years) and impact on the budget

annually based on the current number of households. In year 1 and 4 when the leases are agreed or renewed, incentives and possibly white goods cost will reoccur.



70. The council will discharge its homeless duty through the proposals above to homeless households in the future in order to enable the council to balance the precise housing needs of each household, meet our legislative duties and help to deliver a service within the budget provided for the service.
71. The Good Homes Standard will be reviewed on a quarterly basis throughout year one to monitor the impact including budgetary implications.
72. The proposed Good Homes Standard is a positive step forward and a step to provide greater security to homeless households. This new approach therefore sets out a framework which will take steps to eliminate unstable forms of temporary accommodation, namely nightly rate temporary accommodation.
73. The new policy of introducing the Good Homes Standard will contribute to the delivery of the Council's Fairer Future Promises.

Shared nightly rate accommodation for single homeless households

74. A further proposal is to confirm an approach for providing shared nightly rate accommodation for single homeless households. This provision will be in line with legislative requirements and guidance, with *The Homelessness (Suitability of Accommodation) (England) Order 2003* and *The Homelessness (Suitability of Accommodation) (England) Order 2012* of particular relevance. The 2003 Order states that families should not reside in shared B&B for more than 6 weeks, this includes pregnant households. However, this ruling does not extend to single people.

75. The council would not look to place anyone into single accommodation if there were health risks associated with this and a suitability assessment will be completed for any placements into this type of accommodation.
76. Access to shared temporary accommodation for single households makes a significant difference to the cost pressures on the General Fund budget.
77. The table below illustrates potential savings by moving to a shared TA model for single households:

Single Households	Self-contained (nightly and PSL)	Shared	Saving
Nos.	£000	£000	£000
300	1,104	852	252
500	1,966	1,420	546
700	2,848	1,988	860

(Table 5)

78. There are currently circa. 650 singles in self-contained accommodation within TA, if half were moved to shared nightly rate, the minimum saving would be £252,000 p.a.

Conclusion

79. Southwark Council is working within a housing and homelessness crisis to a backdrop of financial austerity.
80. The continued financial pressures faced by Southwark Council have been exacerbated by the Covid-19 pandemic and the revised policies are required to balance these pressures against maintaining a provision of quality, affordable homes. We are still not in a position to re-house enough of the homeless people who approach the Housing Solutions service for housing advice, assistance and support within council and housing association homes due to the severe reduction in available lettings. Lettings eight years ago totalled over 3,500 lettings per year, but today it is anticipated that lettings will be less than 1,000 per year.
81. Consequently, the council experienced an increase in households in temporary accommodation from the 2,766 on 31 March 2020 to 3,275 on 25 Sept (18% increase).
82. The current framework is still heavily reliant on rehousing homeless people in temporary accommodation which is causing extreme financial hardship for homeless people due to the expensive nature of this type of accommodation. If these homeless people could be rehoused into Private Rented accommodation at the Local Housing Allowance rates then the family's financial well-being would greatly be improved.

83. The current framework of rehousing homeless people into expensive nightly paid accommodation is placing severe financial pressure on the council, access to a greater supply of suitable and affordable good homes would help relieve some of this pressure.
84. Further to the Equalities and Health Analysis (appendix 4) and quarterly briefings of the impact monitoring on these policies, the council will work in partnership with Shelter to fully review the policy implications of this report following the 12 month anniversary/implementation of the new policies.
85. The council will provide honest, transparent support and services to all homeless customers designed around the fairer futures principles. Treating customers as we would treat an important member of our own family and providing better start in life for children.

Policy implications

86. The proposed policies take account of the existing overarching Council policies:
 - Achieve budget savings over the next three financial years to achieve the council's Housing Investment Strategy.
 - Provide clear leadership and management to ensure the council is able to deliver commitments as set out in the Housing Strategy 2013 – 2043 and the action plans contained therein.
 - 'Look for housing solutions that consider how children will have the best start in life', taken from 'Our vision: a fairer future', The Housing and Modernisation Plan 2018/19-2021/22 which is tied in with the Council Plan 2018. In the same plan, the mission aim is stated as 'Manage homelessness and temporary accommodation effectively, leading to better outcomes for residents'.
 - Southwark's Homelessness Strategy 2018-22 stated under the strategic priority of vulnerability and health "to reduce the number of households in temporary accommodation, particularly in nightly rate (B&B style) by developing suitable offers of private rental sector accommodation."

Community impact statement

87. An updated Equality Impact Assessment (EIA) is attached at Appendix 4. Overall the EIA concludes that not all of the potentially negative impacts on households can be mitigated, but that equality implications have been fully considered and that the policy approaches have been justified. It is required to consider the potentially negative impacts on protected groups and whether these impacts are justified by the council's wider objectives in implementing the policies. The impact of the policies and in particular the equality impact of the policies will in any event be kept under regular review.

Legal implications

88. Where the council determines under the provisions of the Housing Act 1996 Part VII (as amended) that a person/household is eligible for assistance, homeless, in priority need and not homeless intentionally, it has a duty to secure suitable accommodation (unless it refers the applicant to another authority under the local connection provisions): s193(2), s206(1). The suitability of accommodation is governed by s210 of the 1996 Act, the Homelessness (Suitability of Accommodation) Order 1996 (SI 1996/3204) and by the Homelessness Code of Guidance for Local Authorities.
89. When discharging their housing duties under Part VII, an authority must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act. In all circumstances the homeless people would have the right to request a review of an offer of private sector offer and this would be reviewed by senior officers of the Council that had no involvement in the original decision to offer PRS accommodation.
90. The council is also under a general duty, pursuant to s11 Children Act 2004, to have regard to the need to safeguard and promote the welfare of children within their area. The council embraces the ethos of joint working between housing, care and support services in the Care Act 2014 and seeks to support and promote the needs of homeless households with vulnerable persons and/or carers.
91. In discharging its functions to homeless persons, the council must also have due regard to the Public Sector Equality Duty in s149 Equality Act 2010.
92. In *Nzolameso v Westminster City Council* (2015), the Supreme Court suggested that, whilst it is lawful to provide accommodation outside an authority's boundaries in proper observance of its housing duties, it must be able to explain, preferably by way of published policies, how allocations of temporary accommodation outside of district are made and outline the council's approach to procuring accommodation. The policies seek to afford transparency to accepted homeless applicants as to the process the council shall engage in order to lawfully discharge its accommodation duties, whilst noting that it shall in each case make specific assessments of the needs of individual applicants/households.

Financial implications

93. The net cost to the council of providing temporary accommodation for homeless households in 2019-20 was £8.8m, against a budget of £6.7m, the overspend of £1.9m being met from corporate reserves. The forecast overspend for 2020-21 is currently around £10m, but potentially greater depending on the length of the current lockdown. Whilst this exceptional

position is largely due to the pandemic, there remains a substantial inherent budget pressure in this area. In recognition, it is proposed to increase resources by £4m for 2021-22 along with the adoption of important policy changes outlined above.

94. TA is demand driven and nationally, homeless levels have steadily increased over the last decade and continue to do so (an increase of 570 households year to date). This is largely due to the impact of welfare reforms and the unaffordable nature of the private rental market. However, these factors have been seriously exacerbated by Covid-19, and the impact will continue to be felt with more business failures and rising unemployment. Furthermore, as government financial assistance schemes cease and an inevitable spike in private sector evictions occurs once the embargo ends, all leading to considerable budget uncertainty throughout next year and beyond. It is therefore necessary to review the current policy framework with a view to maintaining the council's statutory homeless obligations but in a more cost effective and sustainable way. The policy changes proposed have been carefully considered and will help to reduce the budget pressure going forward.
95. However, the Good Homes Standard will add to the budgetary issues as they require significant upfront commitment to obtain leased properties and purchase white goods. The Council will need to remain alert to the substantial number of lease renewals that may recur at similar points in future years and may affect annual budget planning.
96. The new approach is targeted at some of the most disadvantaged households and the new approach is in line with the Council's Fairer Future principle spending money as if it were from our own pocket, however, with a recognition that we are spending more funds at a time the council's finance are under considerable strain as a result of COVID19.

Risk Management Implications

97. There is a risk that there will be limited affordable private rented properties to meet the needs of homeless households. While the research gave an indication of different locations where properties may be available, market changes can happen quickly and the actual availability of properties depends on the willingness of landlords to let accommodation to homeless households. To mitigate this risk, incentives will continue to be offered to landlords to secure properties in line with local market intelligence. The supply and availability of properties will be kept under review but it needs to be noted that building up supply to meet demand is likely to take time.
98. There is a risk of legal challenges where offers are outside Southwark and London, or where shared accommodation is offered in light of Covid-19 risks. To minimise this, an individual suitability assessment will be carried out before an offer is made in line with legislation and statutory guidance. Counsel's advice has been taken on the preparation of the policies. Implementing and publishing the policies (appendices 1, 2 and 3) may

also reduce complaints and Member Enquiries.

Consultation

99. No consultation is scheduled to take place.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

100. The report recommends the revision of 3 policies in Appendices 1, 2 & 3 which were introduced in 2019 to support the Council's discharge of its legal responsibilities to provide suitable accommodation to homeless households. The report recognises the duty to provide accommodation in its area, 'so far as reasonably practicable' under section 208(1) Housing Act 1996 and that the accommodation must be suitable. Location is a relevant suitability consideration as set out in the Homelessness (Suitability of Accommodation) (England) Order 2012. The report notes the likelihood of PRS accommodation being outside its area and states the policy will aim to ensure locations are suitable. Reasonable steps should continue to be made to secure that accommodation is made available in borough whenever possible.
101. Persons offered PRS accommodation in discharge of an accepted duty under Part VII will have the statutory right of review and the report notes the potential challenges that might arise.
102. It is noted that the council's current allocation scheme provides for the discharge of homelessness duties with an offer of PRS accommodation.
103. When considering the recommendations and the policies members must have regard to the public sector equality duty under S.149 of the Equality Act 2010 which requires the council, when taking decisions, to have due regard to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
104. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.

105. In making a decision on the recommendations in this report, the cabinet member should give careful consideration to the Equalities Impact assessment at Appendix 4 to this report.
106. The council is entitled to formulate policies by which it will exercise its duties. Where this includes the exercise of discretion care must be taken when formulating and applying such policies to avoid fettering the the exercise of its discretion which may be subject to challenge.
107. Where property transactions referred to in the policies may fall inside the scope of the EU Regulations (the Public Contracts Regulations 2015 and the Public Procurement (Amendment Etc.) (EU Exit) Regulations 2020 (effective after the end of the transition period))resulting in procurement implications, various procurement options will be considered and necessary approval sought in a separate Gateway 1 report when needed.

Strategic Director of Finance and Governance (H&M 20/122)

108. The strategic director of finance and governance notes the recommendations within the report. Whilst the proposed policy amendments will have a positive budgetary impact, with the exception of the good homes standard, significant financial risks remain in relation to on-going demand and supply-side procurement, as well as the continued uncertainty of Covid. The council continues to lobby national government to provide greater resources to address the homelessness crisis and ensure that critical services are sustainable going forward.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Accommodation Procurement Policy for Homeless Households
Appendix 2	Private Rented Sector Offers Policy for Homeless Households
Appendix 3	Temporary Accommodation Lettings Framework
Appendix 4	Equality and Health Analysis
Appendix 5	PRSO and TA Procurement modelling -.xlsx
Appendix 6	Southwark Good Homes Standard

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, Social Support and Homelessness	
Lead Officer	Michael Scorer Strategic Director of Housing and Modernisation	
Report Author	Alex Skerten, Head of Housing Demand	
Version	Final	
Dated	17 February 2021	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	25 February 2021	