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1. Introduction

Hackney Council, along with all London boroughs, is experiencing a significant increase in the number of households facing homelessness and requiring assistance. Whilst this additional demand places substantial strain on housing advice services, it is most acute in the provision of suitable temporary accommodation. The graph on page 9 illustrates the increase in nightly expenditure which was in excess of £7M in 2014/15.

Local housing authorities have a legal requirement to ensure that suitable accommodation is available to those homeless households accepted as in priority need (such as families with children and households that include someone who is vulnerable, for example because of pregnancy, old age, or physical or mental disability) provided they are eligible for assistance and unintentionally homeless.

The housing authority can provide accommodation from within its own stock or arrange for it to be provided by another landlord, for example, a housing association or a landlord in the private rented sector. If settled accommodation is not immediately available, temporary accommodation must be made available until the applicant can find a settled home, or until some other circumstance brings the duty to an end, for example, where the household voluntarily leaves the temporary accommodation provided by the housing authority.

The increased demand for temporary accommodation is putting significant pressure on the Council and its ability to respond effectively. To meet the challenge, we are developing a new strategy to examine how the Council can make the most effective use of the options available to it. This new strategy seeks to address the shortage in supply of units, improve procurement and reduce the increasing financial burden that temporary accommodation provision is placing on the Council, whilst still meeting our legal and social obligations. A separate Prevention of Homelessness Strategy is also being developed which will sit alongside this.
2. Context

Hackney - the borough

The London Borough of Hackney is a highly diverse borough (the 6th most diverse in London) with 39% of the boroughs population born outside of the UK and 64% of the population not identifying themselves as white British.

Hackney is undergoing a rapid change in its socio-economic profile, with improved transport links, a rapidly developing local economy, schools and parks, the expanding fashion hub, a growing IT related industry and other improvements to the social wellbeing of the area have all made Hackney a particularly attractive place to live.

However, this is having an extra-inflationary impact on the costs of housing and has changed the expectations and demands tenants are making of the market and of the Council.

Yet Hackney remains the second most deprived borough in England with 19.3% of the population receiving out of work benefits and over 41,000 households receiving help with their rent.

The Borough has been significantly affected by the ongoing welfare reform programme, with 3,322 households still impacted by the bedroom tax / spare room subsidy, and 426 households still impacted by the Benefit Cap (as of June 2015). Problems related to homelessness are on the increase with over 1600 applications to the Council’s Homeless Persons Unit last year.

Hackney also has a high level of residents with mental health issues (eight times the national average) who need extra support, with 10% of Hackney’s adult population suffering from depression, and 1.2% suffering from severe mental health conditions like schizophrenia. (Source: City and Hackney Health & Wellbeing Profile, Jan 2014)

What is driving the rising demand for temporary accommodation?

As the new Prevention of Homelessness Strategy will highlight, there are a number of reasons why households are unable to find secure housing and are approaching the Council for help; this is also influencing the demand for temporary accommodation:

i. Increasing Rents and House Prices

Property prices across London are rising substantially faster than the rest of the UK. Hackney has been at the top of this curve, experiencing some of the highest price increases.

Research conducted by Savills Estate Agents shows that between 2007 and 2013 four out of the five electoral wards with the biggest price rises in London were in Hackney. Land Registry data shows that the average house price in the borough in April 2015 had increased to £616,004, substantially above the Greater London average (£474,544). This represents an increase of 66% over the last five years and a 725% increase since 1995.
The rise in property prices is influencing the rental market. Prospective first time buyers have been unable to obtain high enough mortgages and consequently are remaining in the rental market. This in turn increases demand within the private sector and has led to substantial increases in rents. The average rent in Hackney in June 2015 had reached £2,125 per month, an increase of 9.15% from the same time last year.

The chart below using data extracted from the Valuation Office Agency shows significant rent increases across Hackney over the last five years.

**Average rents in Hackney**

- **Average Monthly Rent June 2011**
- **Average Monthly Rent April 2012**
- **Average Monthly Rent April 2013**
- **Average Monthly Rent April 2014**
- **Average Monthly Rent April 2015**

<table>
<thead>
<tr>
<th>Room</th>
<th>One Bed</th>
<th>Two Bed</th>
<th>Three Bed</th>
<th>Four Bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0.00</td>
<td>£100.00</td>
<td>£200.00</td>
<td>£300.00</td>
<td>£400.00</td>
</tr>
</tbody>
</table>

**ii. Welfare Reform**

While rents and house prices have increased significantly in borough since 2011, the Government’s welfare reform agenda has reduced the amount of financial support residents can get towards their rental costs.

Housing Benefit levels have not been raised in line with market rents in the borough, and tenants often cannot afford the shortfalls. This has led to substantial rental arrears for some of Hackney’s poorest households. For some, especially large families, there are no longer affordable housing solutions available in the Private Rented Sector in the borough.
There has also been a reported increase in landlords failing to renew private rented tenancies to those on benefit, instead choosing to cash in on the overheated market. When tenancies are not renewed residents are unable to find alternative affordable accommodation in-borough and often have no option other than to approach the Council as homeless.

iii. Shortage of social rented properties

The third driver of homelessness in the borough is a shortage of social rented accommodation. Hackney has one of the largest stocks of social housing in London, with 23,000 properties managed by registered providers, and a further 24,000 properties council homes managed by Hackney Homes. However this is nowhere near enough to meet the growing demand from residents who cannot afford private market rent levels.

As of April 2015, 10,761 households were on the Council’s waiting list, of which 5,788 were considered to be in housing need. However, during the whole of 2014/15, less than 1,300 lettings became available. Consequently, many households continue living in seriously overcrowded homes despite the Council’s success in reducing overcrowding in recent years or remain in unsuitable and unaffordable accommodation, as there is no social housing solution available.

What has been the impact?

The consequence of these pressures is an increase in the number of households at risk of homelessness and needing advice and assistance. This in turn places additional strain on the Council to provide temporary accommodation.

Local authorities’ duties and the use of temporary accommodation

The Housing (Homeless Persons) Act 1977 placed a duty on local housing authorities to secure permanent accommodation for unintentionally homeless people in priority need. Authorities’ duties towards homeless people are now contained in Part 7 of the 1996 Housing Act (as amended).

Authorities do not have a duty to secure accommodation for all homeless people. If an applicant has become homeless unintentionally the authority must assess whether they, or a member of their household, falls into a ‘priority need’ category.

The national picture.
During the early 1990s the use of bed and breakfast (B&B) accommodation for homeless households fell from a peak of 13,550 households in September 1991 to under 5,000 at the end of 1993. The mid-1990s saw authorities manage to restrict their use of B&Bs to around this level. The late 1990s and early 2000s again saw a sharp rise in the number of households in all types of temporary accommodation, including B&Bs before peaking in 2004 until the end of 2010.

Since 2010, the trend has seen an increase in homelessness and households in temporary accommodation. The most recent figures issued by the Government show that the total number of homeless households in temporary accommodation (of all types, including B&B) stood at 64,710 at the end of March 2015. This is 11% higher than on the same date in 2014 and is the highest level recorded in the last five years.

In London, the increase in demand is more significant and accounts for 75% of the total number for England. At the end of March 2015, there were 48,240 households in T/A in London compared to 43,310 the year before, an 11% increase.

The trend in Hackney is even more dynamic, with the number of households living in temporary accommodation increasing by over 15% over the same period. However, keeping pace with this increased demand is challenging and expensive. Too few suitable options are currently available and the Council is now looking at finding more radical long term solutions.

Why is procuring additional temporary units difficult?

As previously highlighted, the buoyancy of the rental market in Hackney has seen landlords continue to move into non benefit markets. Across the borough, landlords, recognising the lower returns available from local authority contracts, have either sold up, or have withdrawn from this benefit market to rent to young professionals with an ability to pay higher rents.

These increased costs impact on the Council’s ability to both secure properties for use as temporary accommodation, and supplement the rent support paid to families placed in these units so that it covers the actual rent charge.

The situation has been exacerbated by reductions in the funding formula provided to the Council to cover the costs of temporary accommodation. Prior to 2011, funding from central Government was based on a national formula for temporary accommodation more
consistent with market rent levels. This allowed local authorities to offer landlords rates that were slightly below the market levels yet still attractive to landlords when taken together with the long term nature of the leases and regular income.

In 2011 this formula changed, and since then there has been a significant and growing gap between the funding the Council can claim back from central government and actual local market rents. The formula is currently set at 90% of the January 2011 Local Housing Allowance rate for the property size, plus £40.00 for management fees. This is what the council pays to the landlord.

There has been no uplift in funding since 2011, and while the management component remains so low, there is little profit margin for our agents, providing little incentive for them to source properties. Leased properties have become almost unattainable under the current funding arrangement as landlords get substantially more money elsewhere.

The result of this funding change is that the Council has been losing leased accommodation (referred to as second stage) at the time when need is at its highest. The number of private sector leases (PSL) has decreased by 33%, and the number of Housing Association leased properties (HALS) has decreased by 43% over the past two years.

With fewer leased and permanent accommodation available, it is becoming extremely difficult to move households on from hostel stock. They are entering hostels, and remaining there for an extended period.

To manage the situation, the homelessness service are increasing the spot purchasing (on the day) of nightly let accommodation. This situation is not unique to Hackney. Central London boroughs have been placing households throughout London for some time, and the increasing rise in housing need across London has seen a steady increase in demand for both secure private sector temporary accommodation and nightly lets.

This in turn has exacerbated the problem and further reduced the supply of property available for leasing while driving up costs; landlords are able to use the knowledge the chronic lack of properties by converting to lettings on a nightly let basis. Competition between the boroughs, including instances of “gazumping”, has ensured that this has become a lucrative income stream.

Boroughs have taken action to address this, agreeing ceilings on what they are willing to pay for temporary accommodation and nightly lets, but this does not address the core problem. The level of spend required to merely maintain current provision is unsustainable in the medium to long term. Radical action is required to reduce costs.
How is the Council responding?

The Council is committed to increasing the stock of housing within the borough. In addition to new build homes, significant resources have been committed to regenerating a number of Hackney estates, and the Council has received 31 units from the Olympic Village.

The Council has also taken the time to review and de-clutter its social housing allocation processes: removing redundant applications from the Housing Register, (the first phase saw a reduction of 8000 applications); increased the number of bidding checks and procedures to ensure households are making realistic applications, more effective housing management to ensure properties do not remain unoccupied longer than necessary all as part of a precursor to the introduction of new measures to relieve the pressure on temporary accommodation. In a similar vein, the TA move on project is making use of empty properties to prevent further silt up of TA accommodation.

Working with homeless applicants

Currently, homelessness applicants are placed into stage 1 hostel or annex accommodation for a short period, before being moved on to self-contained leased accommodation. The stay in hostel accommodation allows for a comprehensive assessment of the household circumstances so that the Council can confirm whether it has a statutory duty under the legislation. Ideally, the service aims to place homeless individuals within the borough, helping these households to maintain links with the community and remain close to support networks and schools.

If a duty is confirmed the household is then ideally moved into longer term leased or non-secure accommodation and prioritised on the Council’s waiting list for social housing. However, as it has become increasingly difficult to secure this leased accommodation in Hackney, there have been two significant consequences; households are staying longer in hostels and more households are being placed outside of the borough:
**Longer stays in hostels** – Being unable to move households out of hostel accommodation results in longer stays and reduces the places available for newly accepted households, meaning the Council is unable to meet the need:

**Out of borough placements** - Where replacements have been found, due to funding limits they are often out of the borough in the outer fringes of London. Since 2010 the numbers of out of borough placements by the Council have increased from 13 in Jan 2010 to 347 by April 2015.
Where have these families been placed?

August 2014

Plus placements in:
- Epping Forest (1 household)
- Hertsmere (1 household)
- Thurrock (1 household)
- Essex (2 households)

April 2015

Plus placements in:
- Basildon (5 households)
- Broxbourne (1 household)
- Chelmsford (1 household)
- Epping Forest (1 household)
- Luton (1 household)
- Thurrock (4 households)

Families are only placed in accommodation outside the borough as a last resort and then only after consideration of the potential impact on the wellbeing of the children within the household. Families placed outside the borough pending a decision on the Council’s homelessness duty do not have an automatic right to review, and the Council does continue to monitor the household circumstances and will consider relocating the family within the borough should an opportunity arise.
4. Planning temporary accommodation provision going forward

Where homelessness does occur, and given the context set out in this Strategy, the Council is setting out a sustainable approach to the provision of temporary accommodation. The Council needs to be realistic about the limited options available and acknowledge there are no easy solutions to resolve the problem. This is not just a Hackney problem. All Councils across London are struggling with budget shortfalls and growing numbers in temporary accommodation, and are using reserves and Section 106 money to plug shortfalls.

Reducing the costs and improving the overall service provided involves a combination of approaches;

- better prevention,
- a more robust approach to encouraging churn,
- better stock management,
- adopting a more expansive view on how properties are procured and from where those properties are sourced.
- More extensive use of the private sector

The Housing Needs service in Hackney is evolving to respond to meet these challenges and has recently undergone a strategic review. It has examined all its processes and procedures to not only ensure the most efficient use is made of the resources available to it, but to develop and expand its position within the local housing market.

The review process has now been incorporated into a continuing improvement process and will include regular examination of all the current temporary accommodation framework agreements to ensure that procurement methods provide the flexibility necessary to respond to the changing housing market. Benchmarking the practises of neighbouring boroughs will provide a range of options to be considered, encouraging take up of suitable options swiftly.

Other elements of the continuous review process include:

- Putting in place a protocol involving supporting services to expedite robust due diligence.
- Ongoing analysis of the use of TA to reduce the use of expensive accommodation and develop decant programmes.
- Undertaken analysis of the framework and leased stock to inform medium to long term strategic planning, to include alternative TA options, direct leasing with owners, developers, direct purchasing and sub-regional procurement.
- Review of cost of utility charges in annex accommodation whilst achieving cost reductions and facilitating less dependence on the local authority and preparation for independent living.
One of the tools we will be using to address this is the introduction of the Council’s social letting agency - **Hackney Priority Homes**.

Whilst it is still in its infancy, Hackney Priority Homes may become a vehicle whereby Landlords can have a direct relationship with the Council and facilitate the acquisition of accommodation for those with a housing need. The social lettings agency will support landlords and help them to fulfil their responsibilities and encourage take up of landlord accreditation. The use of Private Rented accommodation in various forms can create movement within the housing stock making more suitable accommodation available.

**Improving homelessness prevention**

The most efficient way to reduce numbers in temporary accommodation is through homeless prevention. If individuals don’t become homeless, or accept alternative housing solutions before becoming homeless then they do not require temporary accommodation.

The Housing Needs service regularly reviews how it approaches homelessness prevention and changes implemented have already delivered some success with the service exceeding the targets set against the background of a huge increase in demand for advice. The decrease in the percentage of individuals who approach housing needs going on to make a homeless application (down from 9.2% in 2012/13 to 5.8% in 2013/14), is an indication of the good work the service has been delivering.

Our Targeted Prevention services (with floating support, volunteering and befriending) will continue to ensure effective resettlement and reduce instances of repeat homelessness.

The Council has been proactively working to address the impact of welfare reform, including offering budgeting and debt advice, trying to support people into employment, working with landlords to negotiate lower rents, offering financial incentives for the renewal of tenancies, rent deposits, and financial assistance for removal and other costs. This proactive work has had significant success in enabling residents to keep their homes.

However, despite these measures, the depth of the housing crisis in London is such that the number of homelessness acceptances has still increased. We will work more proactively with vulnerable residents at risk of homelessness, working closer with social services, troubled families and our third sector partners including One Housing who are commissioned by Supporting People.

We will look to do more to encourage residents to seek housing advice at the earliest opportunity, as soon as they fear their tenancy is threatened. The Housing Advice Service will be widely publicised and we will look to change the culture across the Council so that individuals who are concerned about their housing situation are directed to Housing Advice immediately, even when a notice to quit has not yet been issued.

The underlying causes of homelessness can take a long time to generate, such as long periods facing difficulties paying the rent, and essential bills. The service will undertake proactive work and engagement with residents in the private rented sector who are struggling with budgets and debts. A lot of the available support is focused at social tenants, when those with the greatest debts and shortfalls are often in the Private Rented Sector.
Managing homeless applications

The service has to give a very clear message that becoming homeless and moving into temporary accommodation is not an easy option, nor is it a short cut to social housing. As part of the initial engagement with households in need (and also in the wider communications with residents, third sector advisers and other partners), we will highlight:

- That only hostel accommodation can be provided in the first instance, including for families.
- That hostel stays will in most cases be long term.
- That duty may be discharged in to the Private Rented Sector and is not necessarily a route into Social Housing
- The discharge into the Private Rented Sector may not be in borough.
- That where street properties are available this is likely to be outside the borough / or London

Adopting this more realistic approach may prove challenging for both the Council and for homeless households, however this more candid approach will allow households to make an informed decision as to their housing options.

Officers are recommending that members endorse this new approach

Improving turnover in temporary accommodation.

1. A single stage model of temporary accommodation

Hackney operates a two stage process. Applicants are initially placed into stage 1, which is predominately hostel or, as a last resort, bed & breakfast accommodation. Once a homelessness duty has been determined, the applicant is moved onto second stage leased accommodation (usually Private sector leased or Housing Association leased). Under best practice individual households would move to second stage accommodation after 6 weeks.

The two stage model is not working due to the inadequate supply of leased accommodation. Individuals are not moving through the system and are remaining in hosts for an extended period, often years. The Council cannot currently procure enough second stage accommodation for the model to work.

Consideration will be given to implementing a single stage model, without move on over the next 12 months. This change does not apply to households placed temporarily in Bed & Breakfast accommodation where we will seek to move households out within six weeks. Once placed in accommodation, including hostel stock, the resident will remain there until they secure permanent social housing or obtain a letting in the private sector. Residents will be expected to be bidding proactively whilst in hostel, as set out below.

Officers are recommending that members endorse this new approach.
This approach would have the following benefits:

- Removing expectation of move to second stage may deter homeless applications.
- Individuals would not feel misled over the length of stay in hostel, leading to less complaints.
- There would not be an unrealistic expectation of move to second stage accommodation, which is undeliverable.
- A single stage would encourage residents to be proactive in attempting to find permanent housing solutions,
- It would be less bureaucratic for the council to administer.
- It would be more cost efficient as families would be moved less often, reducing costs and making more efficient use of stock.

Linked to this there are a number of other changes that will improve the amount of churn within temporary accommodation;

2. **Turning decisions around more quickly** –

A cost pressure on the service is through accommodating households who, when we have completed our homeless investigations we have no legal duty towards. We will look to ensure that all homeless applications are assessed in 33 working days where possible. We will aim to tighten further our relationships across services to ensure that households, whom we have no duty towards are, are assessed and given holistic, client specific advice by our Housing Advice Service and Children’s Social Services. This will enable us to close down temporary accommodation placements sooner as other solutions are offered.

3. **Improve bidding and move on rates** –

Despite the shortage of social housing, a higher percentage of individuals in temporary accommodation would obtain social housing if they were more active in bidding for properties, and more willing to accept properties perceived to be less desirable or that would require some compromise, such as high rise flats in less popular areas. The Council has to prevent individuals becoming institutionalised in temporary accommodation, by supporting those who have been in temporary accommodation for a long period in taking steps to move to a social property where possible. The Council has now started to provide this impetus via the Move On Project.

The Move On Project takes advantage of the Councils extensive estate regeneration programme, utilising vacated properties to provide short to medium term accommodation. As well as alleviating some of the pressure on temporary accommodation needs, the project has played a key role in the Council’s success in tackling overcrowding; a significant achievement when considered against a background of welfare reform that can perversely drive families into accommodation too small for their needs.

The London Borough of Hackney allocates its social rented lettings via Choice Based Lettings (CBL). Available properties are advertised, and once registered, individuals can place one bid
a week. However, many households in temporary accommodation are not routinely submitting bids. This is due to a number of reasons:

- Many individuals placed in temporary accommodation are vulnerable with complex needs and/or chaotic lifestyles while others are struggling with low income and debt management. In both these instances the process of bidding is not prioritised and is often overlooked;

- Many households in temporary accommodation are looking for the ideal permanent home, and while adequately housed in high quality temporary accommodation will hold out for a street property in the specific area of the borough in which they wish to live. However, due to the realities of the limited stock available, these expectations need to be managed;

- Hackney Council also recognises that households with a large number of family members will not be bidding when properties advertised are not large enough to meet their needs;

There must be an expectation that everyone in temporary accommodation is expected to bid appropriately, and accept a suitable social property. From the moment a household is placed in temporary accommodation, a clear message must be sent that individuals should be bidding on a weekly basis, and failing to bid will mean an indefinite stay in hostel accommodation or a direct offer on a property potentially in the private rented sector or out of the borough.

Hostel managers will support residents to bid, and sessions are to be run for new residents on how to bid. The Council will investigate suspending bidding once a homeless application is short-listed, to prevent a second shortlist being used as a reason to refuse a property. Where the social property is refused without good reasons the Council will routinely consider reoffering the property as a direct offer and ultimately discharging duty. We will be in contact with residents to understand why offers are refused and consideration will also be given to making direct offers routinely where households have been resident in hostel accommodation for over 10 months.

**Officers are recommending that members endorse this new approach**

4. **Expanding on the move-on project and maximise the use of decants and long term Council voids for temporary accommodation –**

The Council’s Move On Project has been working with some success with households that have become entrenched in temporary accommodation. The project engages directly with residents, encouraging them to bid and working with them on how they can maximise the possibility of securing an offer.

Aligned with this, the Council is maximising the use of vacated property on estates undergoing regeneration as a short term supply of temporary accommodation. This strategy
has been successfully implemented on Woodberry Down, where there are a number of blocks which have been decanted but are not scheduled to be demolished for several years.

Since November 2013, 114 households have been placed temporarily into properties on estates undergoing regeneration rather than their remaining in more expensive nightly lets or blocking annexe accommodation. This has saved in excess of £321,000.

Moving forward, the project will be expanded to capture a wider range of households in temporary accommodation. All new entrants into temporary accommodation will be supported to ensure they are bidding, and bidding patterns will be monitored.

5. **Reducing rent arrears amongst households in temporary accommodation**

The Council will expand its work with households in rent arrears to try and resolve the situation. Where this is due to a shortfall in Housing Benefit, additional resources have been identified from within the Benefits Service to examine the benefits in payment, whether any remedial action is appropriate and whether a discretionary housing payment should be recommended. In more general terms, the Temporary Accommodation Service and the Benefit Service are working more closely together and benefit claims from residents in temporary accommodation are looked at more sympathetically, recognising that this client group are more likely to be vulnerable. Already, as part of this process, rent panels have been set up to forensically examine how rent arrears have arisen and the mitigation offered.

There are some individuals in temporary accommodation who are in rent arrears because they are unwilling rather than unable to pay their rent. The Council will be acting more robustly to address these issues, including increasing the use of direct offers and/or placing them in temporary accommodation sourced from cheaper areas, potentially outside London. When considering a direct offer to a household with outstanding rent arrears, the offer will be conditional on the household demonstrating a genuine intention to reduce their arrears, including having in place formal arrangements for regular payments etc. A formal financial assessment will be undertaken to assess whether the household is in a position to continue to make these payments in the medium to long term and meet any new rent commitment. Where appropriate the Council will seek to discharge its duty to households despite arrears having accrued.

6. **Increase number of direct offers on Social Sector Properties**

The most efficient way to move people out of temporary accommodation is through a direct offer on a Social Rented Property. Under the current lettings policy the Council has the power to make direct offers on a Social Rented Property to accepted statutory homeless households.

Direct offers can also be utilised to target, for example, households assessed as needing a 3 bedroom, 6 person home which are rarely available, to maximise take up of 4 bedroom, 6 person properties that prove a challenge to let.
Going forward the service will aim to increase the number of direct offers that are made to homeless households. In making direct offers the service will take a tough and consistent approach. These offers will be clear in that they meet applicants’ needs to reduce the prospect of unsuitable offers and appeals. This will be monitored as part of the examination of the Choice Based Lettings policy and process and will be reported to the Living in Hackney Scrutiny Panel and to the Cabinet Member for Housing.

Officers are recommending that members endorse this new approach.

**Improving and making more effective use of current TA stock**

The strategy has highlighted the difficulties with securing new temporary accommodation properties, particularly leased properties suitable for stage 2 placements. It is therefore imperative that we rationalise the stock we have to ensure we get maximum usage.

There are a number of initiatives to be launched to both improve the stock we have and improve how it is managed.

1. **Improve the hostel offer** –

   Currently households are spending an extended period in hostel accommodation. As more families with older children are losing secure accommodation, the requirements and demographics of our hostel users are changing. Therefore the service needs to take steps to improve the hostel offer, and recognises that better facilities are required. Some steps are already being undertaken, with laundry facilities being incorporated into the fabric of some of the hostels.

   Accommodation offered by the Council should meet Decent Homes Standards and offer an adequate standard of living over what may be extended periods. The Council recently undertook an extensive examination of the condition of our stock, and the subsequent report has put in place a robust 5 year plan that ensures that Health and Safety checks are undertaken regularly and that maintenance issues are addressed promptly. We will continue to robustly monitor service standards in hostels and advise/support residents in maintaining healthy lifestyles whilst living in hostels.

   The Council has already taken action to improve the offer for young families, including getting the Hackney Playbus, which provides mobile outreach support services for children under 5, to call at our largest hostels on a regular basis.

2. **Ensure dormant and underutilised space is put to efficient use** –

   Some of the Council owned hostels were not designed for purpose, whilst the operating model has been changed at others. Consequently, space is not always utilised to its maximum advantage, both in terms of providing additional rooms and/or expanding available facilities. As a Council we need to ensure that spare capacity is brought into use. The Council will investigate all hostel accommodation to identify whether there is additional space that can be put to better use.

3. **Ensure that where applicants are not using accommodation it is rapidly recovered**
There are a minority of households who, having been placed in temporary accommodation, are not routinely residing at the allocated property, either because they are staying with friends/relatives or on an extended holiday. This is a misuse of resources and the Council will seek to recover the property in order to re-let to a new resident. More stringent and robust procedures will be introduced to identify these instances.

4. **Improve short term storage facilities for possessions**

When residents vacate temporary accommodation, the Council is obliged to store all possessions left behind for 28 days. A lack of short term storage space is hindering the services ability to quickly turn around and re-let rooms. The Council will look to invest in low cost efficient storage solutions in the vicinity of our large hostels, including examining the feasibility of converting current hostel basement areas into an appropriate storage area. We will also ensure efficient removal of storage of previous residents beyond the minimum time.

5. **Resolve long term repairs quicker**

The service works well in fixing minor repairs. Most minor repairs are undertaken quickly by hostel staff, but there are rooms out of action due to long term repairs. The Council has examined how it deals with long term repairs in hostels and ensure these are prioritised. Action will be taken to ensure all repairs and improvements are high quality recognising the high stress levels placed on TA. This will reduce long term cost and disruption to accommodation.

6. **Accelerate moving from TA to permanent accommodation**

Where households obtain permanent accommodation there is sometimes a delay between the tenancy commencing and the person vacating the temporary accommodation. The Council will require that residents vacate the hostel on the day their new tenancy commences unless there are *exceptional* circumstances that prevent the tenant moving into the new property. To enable this, dedicated support will be provided to tenants to assist with the moving process.

**Officers are recommending that members endorse this new approach**

7. **Purchase of properties**

The council will examine the viability of establishing a commercial arm to purchase empty properties and former council properties sold off under right to buy for use as temporary accommodation. Funding has been made available from the Mayor of London for these schemes.

8. **Reduce living space in self contained accommodation**

Given the difficulties obtaining temporary accommodation for larger families the Council will investigate using all habitable rooms in leased accommodation as bedrooms except for kitchens and bathrooms. This will enable families to be placed in a smaller and more affordable accommodation, which is likely to be closer to Hackney. It will also encourage households to be more proactive in finding a permanent housing solution.
**Procuring additional TA stock**

Whilst the Council will continue to explore all options for permanent rehousing, we need to investigate how we can meet the demand for temporary accommodation.

1. **Increase supply of hostel accommodation in borough**

Due to the lack of available properties, the Council is reliant on expensive B&B and nightly lets. Increasing the number of directly owned and managed hostel units would reduce our reliance on this expensive accommodation, generating financial savings.

In order to expand the stock available, the Council will examine all council buildings prior to disposal for potential conversion to temporary accommodation. We will also look at other innovative options to provide additional stock, such as the provision of modular, factory built compact homes.

**Officers with agreement from Members have agreed with this approach.**

Some of the larger providers of hostel accommodation are being sourced through managing agents and therefore incurring additional costs. The Council will seek to negotiate directly with owners with an offer that includes the Council undertaking direct management of the properties, reducing costs for both parties. The Council will take steps to ensure that where possible owners of large hostel units that the Council deal with obtain preferred supplier status, to reduce the reliance on going through third parties and agents.

2. **Expand the placing of homeless applicants outside of London where appropriate –**

The current Council policy is to not place individuals in temporary accommodation outside of London where possible. The Council recognise that residents have strong attachments to the borough and have legitimate reasons for wanting to stay. However, this position is no longer sustainable, with over 2000 households already in temporary accommodation.

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**Comparative average rent charges April 2014-March 2015**

- **Single Room**
- **One Bed**
- **Two Bed**
- **Three Bed**
- **Four+ Beds**

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**Hackney**

**London**

**SE England**
Hackney Priority Homes will be charged with the responsibility to procure additional stock both inside and outside the borough that will predominantly be two-bedroom homes secured on long term leases. Officers are recommending that members endorse this new approach in consultation with the Cabinet member for housing.

Out of London placements will not be appropriate in all cases, and relevant factors such as local employment, caring responsibilities for family members, and disruption to treatment for on-going health and mental health conditions will be taken into account. It will be subject to availability of accommodation supply on the day, and should a vulnerable household be placed out of Borough, we will continue to assess the level of vulnerability. We will report regularly to the Cabinet Member for Housing on the impact and annually to the Living in Hackney Scrutiny Commission.

3. **Work in partnership with out sub-regional partners**

In order to reduce competition that drives up costs, The Council will be working with our partners in the East London Housing Partnership on sub-regional solutions.

**Discharge into the Private Rented Sector**

Until recently, once the Council had accepted a duty to house a homeless household, the duty could only be discharged with an offer of social housing. A Council could not offer private rented accommodation without the consent of the applicant. This has led to long stays in temporary accommodation, given the low number of available social lettings compared to the number of accepted homelessness cases.

Under the Localism Act 2011 this changed for all new homeless applicants who apply on or after the 9th November 2012. Councils now have the power to end a homeless duty with a private sector offer. The discharge in to private rented accommodation does not require the applicants consent. The Local Authority must be satisfied that the accommodation is suitable in terms of size, location, condition, and affordability.

The London Borough of Hackney has in the past routinely sourced private rented accommodation both in order to prevent homelessness and with the voluntary agreement of the applicant. We have now amended our lettings policy to reflect the new legislation however this power has not been used so far.

Moving forward, the Council will seek to discharge more into the Private Rented Sector as it provides better value for money and will reduce budget pressures. Discharge into the Private Rented Sector could substantially reduce the Councils temporary accommodation spend and is beneficial to residents compared to extended stays in hostel accommodation. Other Councils have established that this discharge can be out of London where closer affordable accommodation is unavailable.

There have recently been a number of legal challenges to local authorities regarding how they exercise their policies in this area, the most notable of which was Nzolameso vs Westminster City Council 2015. These challenges have helped to clarify the extent to which an offer of Private Sector Housing can end the Council’s responsibilities under the Housing Act, particularly with regard to out of borough offers.
Each individual case must be assessed on its own merits and must identify the principal needs of the children, individually and collectively, and show that regard has been had to the need to safeguard and promote their welfare, including the practicalities of moving schools and whether school places were available. The decision should also consider the impact on any disabled members of the household.

Where an out of borough placement is offered, the Council should advise the applicant what accommodation is available within the borough and why that is not being offered. It will also have to state whether there is any accommodation available nearer to the applicant’s previous address than the accommodation offered and also why that is not being offered.
5 The next steps

This temporary accommodation strategy forms part of the work on the wider delivery of homeless services and work to increase housing supply in Hackney. This strategy should be viewed in conjunction with the wider Homelessness Strategy and the 2008 -2018 Sustainable Communities Strategy and provides the framework upon which the Temporary Accommodation Service in Hackney will operate.

As a consequence of the changes of direction set out within this strategy, the Council will need to complete a root and branch review of its policies and procedures.

This work will be led by the Temporary Accommodation Service but we will need to engage with our internal and external partners to ensure the consistency of approach and to be sure that all options and opportunities are exploited over the length of the strategy.

In some instances, this will require more formal arrangements to be established, including service level agreements and memoranda of understanding.

Regular monitoring and evaluation is integral to the delivery of the Temporary Accommodation Strategy.

The Temporary Accommodation Service will review the strategy annually and report to the Cabinet Member for Housing, and Living in Hackney Scrutiny Commission. The annual review will aim to provide a clear assessment of impact, progress and improvement, focussing on analysis and evaluation rather than description or process.

Quarterly monitoring and the annual review will involve the Temporary Accommodation Service management team and also include senior officers from across the council, the relevant Lead Member, partner agencies, and the community and voluntary sector.

The voices of homeless households must also be central to the annual review of the strategy. We are exploring the best way of capturing the experiences of homeless households impacted by the changes including possible survey, focus group or monitoring information in conjunction with hostel and other staff and agencies. We recognise the length of stay for many residents is longer than it used to be and if we are to be successful in providing the best possible response to our service users, we need to know what works and to ensure that we understand the impact that has on service users.