



Derby City Council

**COUNCIL CABINET**  
**7 December 2016**

Report of the Cabinet Member for Urban  
Renewal

# ITEM 17

## **Private Rented Sector – Final Offer Policy**

### **SUMMARY**

- 1.1 This report seeks to extend the Council's current policy which enables the use of good quality private rented sector housing to discharge the homeless duty.
- 1.2 The current policy, approved on 12 July 2015 allows applicants to retain the right to consent to an allocation in the private sector. This proposal is to extend the use of offers to suitable private rented sector accommodation without the applicants consent.

### **RECOMMENDATION**

- 2.1 To approve the Private Rented Sector – Final Offer Policy (Appendix 1). This policy will enable the Council to discharge the homelessness duty with a good quality, suitable private rented sector offer, without the consent of the applicant.

### **REASONS FOR RECOMMENDATION**

- 3.1 This proposal will enable the Council to utilise the full powers granted to it under the Localism Act 2011 in respect of the discharging of its homelessness duty in the private rented sector.
- 3.2 Preventing and minimising the use of temporary accommodation, where applicants either need or desire rehousing in areas where there is a shortage of social housing, or where applicants do not qualify for social housing in Derby are put forward as the main reasons to support this recommendation.
- 3.3 The Council are experiencing a significant increase in the numbers of applicants presenting as homeless. This is mirrored by a corresponding increase in the numbers of these applicants to whom there is a duty to rehouse. Over the same period there has been a reduction in turnover.
- 3.4 The reduction in the supply of social housing is having a knock on effect on our ability to accommodate those on the housing register and homeless applicants. This is creating pressures on the continued use of temporary accommodation and bed and breakfast placements. The number of people in temporary accommodation/bed and breakfast is increasing as is the length of their stay. Applicants in temporary

accommodation include both single people and families with children.



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### **Report of the Strategic Director for Communities & Place**

#### **SUPPORTING INFORMATION**

- 4.1 The Localism Act 2011 enabled local authorities to discharge their homelessness duty through an offer of good quality private rented housing. The intention was to increase availability of housing options available to help reduce the use of costly temporary and bed and breakfast accommodation and to help reduce the silting up of the local authorities waiting lists. Applicants express agreement was required to end the homeless duty through this means.
- 4.2 In November 2012 a further power was introduced which allowed Local Authorities to discharge the homelessness duty by making an offer of suitable privately rented accommodation available without the express agreement of the applicant.
- 4.3 In July 2015 Cabinet approved a local policy which allowed applicants to retain the right to consent to a private sector offer but chose not to extend this where the applicant did not agree.
- 4.4 Under Homelessness legislation the local authority has a duty to ensure that accommodation is available to occupy for those households that are found to be eligible, unintentionally homeless or threatened with homelessness and in priority need. This is known as the main housing duty which can only be brought to an end when specific actions or events take place, for example, when an offer of suitable housing is made.
- 4.4 Homelessness acceptances more than doubled from 166 in 2011/12 to 377 in 2015/16. During the current financial year (2016/17) the number of acceptances at 30 September 2016 was already 251. If this trend continues the demand will have increased three fold from 2011/12. At the same time the reduction in the availability of social housing properties. The number of properties let by Derby Homes reduced from 1323 in 2014/15 to 828 in 2015/16. The result of this is that the numbers of applicants in temporary accommodation, and bed and breakfast accommodation is increasing, in number and in length of stay.
- 4.5 The new policy will enable the Council to access the private rented sector to discharge its main housing duty by way of a suitable offer without the explicit agreement of the applicant.

- 4.6 The Council may choose to make such an offer where applicants:
- have expressed a preference to live in a particular area where there is very limited or no social housing and greater choice is available in the private rented sector
  - are in temporary accommodation where there is substantial cost to the Council
  - are in temporary accommodation where there is a substantial cost to the applicant, possibly as a result of being in employment
  - have been accepted as being threatened with homelessness and owed a full housing duty and where a private rented sector offer will avoid the need for the household to go into temporary accommodation.
- 4.7 Some applicants to whom Derby City Council hold a full homelessness duty are excluded from the housing register. This may be due to substantial former arrears or as a result of serious anti-social behaviour in previous tenancies. Approving this policy will give the Council greater flexibility in discharging the full homelessness duty.
- 4.8 An offer will only be made, having considered the relevant statutory guidance, which covers both suitability of property, location and which sets out circumstances in which accommodation is not to be regarded as suitable for a person.
- 4.9 The Localism Act builds in safeguards in the discharge of a full homeless duty into the private rented sector, these are as follows:
- the tenancy offered must be for a term of not less than 12 months
  - if an applicant whose homeless duty is discharged into the private rented sector becomes homeless with all households who have accepted a Private rented sector starting they would be owed a further main housing duty, irrespective of whether they would still be classed as in priority need.
- 4.10 In addition to these statutory safeguards the Council/Derby Homes will ensure that contact is maintained with all households who have accepted a private rented tenancy through this route for the duration of the tenancy period. In order to pro-actively manage those cases approaching the end of the tenancy.
- 4.11 All properties allocated under this scheme will be inspected to ensure that the property is in a safe and acceptable condition. All checks will be carried out by a suitably qualified officer.
- 4.12 The policy will not be applied retrospectively. The Policy will apply to all new applicants for homelessness assistance, from 8<sup>th</sup> December, subject to Cabinet approval on 7<sup>th</sup> December.

#### **OTHER OPTIONS CONSIDERED**

- 5.1 The Council could continue to utilise its powers under the Localism Act to secure the allocation of private rented accommodation for homeless households with their consent however this has a limiting effect on the discharge of the full duty.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowo Mazer Hussan Liz Moore  Maria Murphy, Managing Director of Derby Homes
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Clare Mehrbani 01332 888596 <a href="mailto:clare.mehrbani@derbyhomes.org">clare.mehrbani@derbyhomes.org</a> None Appendix 1 - Implications Appendix 2 – Policy Document

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The current cost of a bed and breakfast placement in Derby for a large family can be as high as £700 per week. Applicants may also be subject to the benefit cap, resulting in applications for discretionary housing payments to help towards high temporary accommodation costs. Under the current policy it is difficult to discharge homeless duties to larger families in their chosen areas due to a shortage of properties of 4+ bedrooms. There is likely to be a greater availability and choice in the private sector.

Any reductions in the cost of temporary accommodation are returned directly to the general fund.

**Legal**

- 2.1 The Localism Act 2012 (November) introduced a power for Local Housing Authorities to bring the main homelessness duty for statutory homeless applicants to an end by making available an offer of suitable privately rented accommodation without the express agreement of the applicant (s.193(7AA0)-(7AC)Housing Act 1996).

**Personnel**

- 3.1 None arising from this report

**IT**

- 4.1 None arising from this report

**Equalities Impact**

- 5.1 An equalities impact assessment is appended to this report. The Policy will not be implemented retrospectively. A consultation commenced early November, and is ongoing, with prospective applicants regarding this Policy. The results of this consultation will be available early December 2016.

**Health and Safety**

- 6.1 All properties identified in the private sector to be used to discharge a full homeless duty will be inspected by a suitable qualified officer to ensure there are no health and safety risks.

**Environmental Sustainability**

- 7.1 None arising from this report

### **Property and Asset Management**

- 8.1 A record of all private sector properties used to discharge a full homeless duty will be kept by the Housing Options team.

### **Risk Management and Safeguarding**

- 9.1 The proposal reduces the risk to the Council of higher costs being incurred in providing bed and breakfast payments by maximising the opportunities to secure suitable accommodation.
- 9.2 Safeguarding measures are included within the Localism Act and are outlined within the main body of the report

### **Corporate objectives and priorities for change**

- 10.1 Reducing the use of temporary accommodation including bed and breakfast placements is a corporate objective.