



Pan London Agreement on Inter-Borough Accommodation Placements

Date of agreement: 8th March 2011

Date agreement starts: 1st April 2011

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Definitions

Placing borough:

Boroughs which acquire temporary accommodation for homeless households in another borough or which acquire private rented accommodation for preventative placements in another borough.

Receiving borough:

Boroughs in which the temporary accommodation or privately rented accommodation (in the case of preventative placements) is located.

(Statutory) Homeless households:

Households applying to boroughs as homeless, or threatened with homelessness within 28 days, under Part VII of the Housing Act 1996 as amended by the Homelessness Act, including households placed in temporary accommodation:

1. while inquiries into their circumstances take place (“interim duty to accommodate” s. 188)
2. for a period of two years (“minimum period”) following acceptance by boroughs of duty to accommodate (s. 193)
3. for additional period (S) of two years (continuing duty) following determination(S) by boroughs to continue to exercise the duty to accommodate (s. 194)
4. on a discretionary basis where the duty to accommodate does not or no longer exists.

Discharge of duty into the private rented sector (PRS)

Local authorities are able to meet their statutory duty to homeless households by placing them into private rented housing. At present this placement must be for a two year tenancy. The forthcoming Localism bill includes clauses that would amend these arrangements to a period of responsibility of two years, with a minimum initial tenancy of one year.

Preventative placement:

A placement of a household into accommodation in the PRS, with support from a local authority and made before the household qualifies as statutory homeless but that the local authority believes are likely to become so.

Agents:

Housing associations, estate agents or other bodies which procure temporary accommodation or privately rented accommodation (in the case of preventative placements) on behalf of boroughs.

1. Introduction

1.1. This agreement deals with the use of properties as temporary accommodation, for discharge of duty into the private rented sector or for preventative placements by one London borough which are located in another London borough. All types of placement shall be referred to as “accommodation placements” in this agreement. It applies to accommodation used by London boroughs and by agents working on their behalf in private rented housing.

- 1.2. This agreement is intended to update and replace the existing Inter-Borough Temporary Accommodation Agreement (IBTAA) (2004) and extends the agreement to preventative placements in the PRS.
- 1.3. Such placements include those made under initiatives such as Rent Deposit and Rent Guarantee schemes, Finder’s Fee schemes, Assured Shorthold Tenancies (ASTs), Housing Associations as Managing Agents, Private Sector Leasing (PSL), Private Licensed Agreements (PLAs), Nightly Purchased Annexes and Housing Association Leasing Schemes (HALs).

2. Aims of the agreement

- 2.1 To ensure that where placing boroughs or their agents procure properties in receiving boroughs they do not offer the landlord or agent for the property more than the receiving borough would. This is to prevent boroughs acting in competition with each other, a situation which could lead to price escalation.
- 2.2 To assist those boroughs that are not able to secure a suitable number of properties for use by households either as temporary accommodation or for a preventative placement within the temporary accommodation subsidy cap or the Local Housing Allowance (LHA) cap respectively. These boroughs do and will be able to continue to secure accommodation in other boroughs.
- 2.3 To assist receiving boroughs, in which households previously living in other local authorities are housed in accommodation placements. These boroughs will be informed of every placement made in their area. They will also continue to be offered accommodation procured by RSLs in HALS and HALD schemes in their area in the first instance.
- 2.4 To ensure that information is shared between the placing and receiving boroughs each time an accommodation placement is made.
- 2.5 To encourage liaison and co-ordination between boroughs and the agents who act on their behalf when accommodation placements are made.
- 2.6 To support the monitoring of movement of households within London in the coming year to ensure that boroughs are able to assess the impact of the forthcoming changes to LHA rates.

3. Background

- 3.1 The existing Inter-Borough Temporary Accommodation Agreement (IBTAA) was developed and agreed in 2004. It outlines under what circumstance one borough can place a household in temporary accommodation in another. Boroughs are divided into three categories: those with excess demand for temporary accommodation, those with approximately balanced levels of supply and demand, and boroughs with a greater supply of temporary accommodation than needed for people within their own area. The agreement 'allows' those in the first category to place households in boroughs in the later category. The agreement was not ratified by all of London's local authorities.
- 3.2 The agreement has not been revised since 2004, and the categorisation of boroughs no longer reflects realities on the ground. The agreement is now frequently ignored when councils make out-of-borough temporary accommodation placements.
- 3.3 The agreement also outlines a formal process (overseen by London Councils) for one borough to make a complaint against another in the event that it has not followed the terms of the agreement. To date no borough has ever made use of this process.
- 3.4 In recent years many boroughs have made significant efforts to reduce the numbers of cross-borough placements. For some boroughs these efforts have resulted in significantly fewer cross-borough placements (for example cross-borough temporary accommodation placements made by Kensington and Chelsea in 2009 constituted 24 per cent of all placements, down from 74 per cent in 2008).
- 3.5 London's Directors of Housing are particularly concerned that many more cross-borough placements are likely to be made after April 2011 when the government's proposed changes to Local Housing Allowance (LHA) come into effect for new applicants. These changes will see LHA rates reduced from the 50th percentile (of rents within a Broad Market Rental Area) to the 30th percentile. This will be accompanied by an overall cap on the total amount paid out.
- 3.6 Similarly temporary accommodation subsidy was reduced in 2010 to the equivalent of LHA rates minus 10 per cent plus £40 (management fee). At the present time accommodation procured through HALS (Housing Association Leasing Scheme) is exempt, but will be included from 2013.
- 3.7 Both changes are likely to significantly restrict the ability of low-income households in London (most particularly in central and North London) to find accommodation in the private rented sector, in their preferred areas, and the ability of inner London boroughs to source accommodation for low income households within their areas.

4. Principles for agreement

- 4.1 This agreement is based on four core principles which boroughs agree will shape and inform the way they undertake and manage cross borough accommodation placements. These core principles are:

- **Not to 'out-bid'**
All boroughs agree not to offer a landlord or supplier more than the host borough offers for a property in its area.
- **Presumption to inform**
All boroughs placing a household in another borough will inform the host borough of the placement.
- **Safeguard vulnerable households**
Boroughs will avoid placing the most vulnerable households in other boroughs.
- **Host borough - first choice**
RSLs procuring HALS and HALD will offer these properties to the host borough in the first instance.

Principle one: Not to 'out-bid'

All boroughs agree to not to offer a landlord or supplier more than the host borough offers for a property in its area.

- 4.2 Appendix one includes an up-to-date (as of March 2011) list of the payments and incentives that each borough offers under each accommodation procurement scheme / category.
- 4.3 Boroughs agree to avoid offering any landlord or agent more than a receiving borough would offer for the same property in any of the circumstances included in appendix one.
- 4.4 This principle includes 'finder's fees' which some boroughs offer to residents able to source their own accommodation. These should not exceed those offered by receiving boroughs to residents finding accommodation in the receiving borough area.
- 4.5 BABIE rates (which cover the procurement of Bed and Breakfast Accommodation) are collectively agreed by boroughs. This agreement does not affect the existing arrangements over BABIE rates.

Principle two: Presumption to inform

All boroughs placing a household in another borough will inform the host borough of the placement.

- 4.3 All cross-borough placements of households in temporary accommodation should be tracked using the NOTIFY system. This arrangement will continue.

- 4.4 Where a placing borough is making a preventative placement in rented housing in another borough, the placing borough will inform the receiving borough of the placement.
- 4.5 The specific information that will be shared is:
- The name of household
 - The number of people (adults / children) in the household.
 - The bedroom size of house (e.g. three bedroom)
 - The property postcode
 - The name of the landlord / agent for the property.
 - The size of any financial incentive paid to tenant or landlord / agent (see principle one)
 - Whether the household includes a child / children on the Child Protection Register.
- 4.6 This information will be entered on to an excel spreadsheet (included in appendix two) and emailed to the receiving borough within one week of the placement being made.
- 4.7 All boroughs will supply contact details for an officer to receive these forms to London Councils which will circulate this contact list to the London Councils Housing Needs and Homelessness group. These contact details should be in the form of a generic email address for each borough, to ensure that any staff churn does not impact on information sharing. We recommend an email address such as accomodationplacements@boroughname.gov.uk.

Principle three: Safeguard vulnerable families

Boroughs will avoid placing the most vulnerable households in other boroughs.

- 4.8 In this agreement vulnerable families are defined as those with a child / children on the Child Protection Register, those with a history of Anti-Social Behaviour, prolific and persistent offenders and those housed through MAPPA (Multi-Agency Public Protection Arrangements).
- 4.9 Boroughs agree to avoid making accommodation placements of these families in other boroughs.
- 4.10 A protocol already exists between boroughs to ensure that any movement of such children across borough boundaries in temporary accommodation is tracked using the NOTIFY system. Movement of such children in preventative placements is currently not tracked using the NOTIFY system. This agreement does not affect the existing child protection protocols.

Principle four: Host borough - first choice

RSLs procuring HALS and HALD will offer these properties to the host borough in the first instance.

4.11 In most cases RSLs do routinely offer properties procuring HALs and HALD to the host borough in the first instance. Under this agreement boroughs agree to continue this arrangement.

5. Monitoring movement across London

- 5.1 This agreement includes provision for placing boroughs to inform receiving boroughs each time a placement is made. Alongside this, information will be collected on the number of moves taking place across London, for an initial period of two years.
- 5.2 The uncertainty of the impact of the LHA changes is challenging to quantify. Households in receipt of LHA may be moving across London at the same time as demand more generally for private rented housing is steadily increasing. Boroughs report that they are not in a position to confidently predict how many households they will need to offer support to in the coming year.
- 5.3 The reductions in LHA rates will apply to all new applicants from April 2011, but will apply to existing claimants only once their existing allowance is reviewed (claims are reviewed annually). Any reductions will come into effect nine months after the review date. This means there may be existing applicants that will not be affected by the reductions in LHA until December 2012 (assuming their annual review is carried out in March 2012).
- 5.4 In order for London to collectively understand the level of cross borough placements, this agreement includes a commitment to monitor migration over an initial period of two years (to April 2013). Boroughs may wish to extend this period if it is felt to be a useful exercise.
- 5.5 Boroughs are requested to collect the following information:
- How many preventative placements they placed / received each month in that period, and which borough those households went to / came from. This information should be available from the number of information sharing forms (appendix two) sent or received.
 - How many temporary accommodation placements they placed / received each month in that period, and which borough those households went to / came from. This information should be available from the NOTIFY system.
 - How many placements included children on the Child Protection Register. This information should be available from both the information sharing forms (appendix two) and the NOTIFY system.
 - The originating borough of new LHA claimants in each month. This information will be available to some boroughs through the 'previous address' information supplied on the housing benefit claim form.
- 5.6 This information should be supplied to London Councils' housing and planning team and the sub-regional housing co-ordinators in advance of future meetings in October 2011, April 2012, October 2012 and April 2013
- 5.7 The officer working group responsible for this agreement will reconvene in October 2011, April 2012, October 2012 and April 2013 and review the

information supplied. It will then make recommendations as to whether monitoring should continue and whether the agreement should be amended.

Appendix one: Borough offers to tenants, landlords and agents

See separate excel spreadsheet circulated with this paper.

Appendix two: information to be shared when accommodation placement is made

Cross-borough accommodation placement - information sharing form

Please complete the following fields and send to receiving borough

Placing borough:	
Name of placing borough contact officer:	
Receiving borough:	
Name of household:	
no. of people in household	
Adults:	
Children:	
No. of bedrooms in property:	
Postcode of property:	
Name of property landlord / procuring agent:	
Has any financial incentive been paid as part of this placement (e.g. deposit, months rent in advance, rental guarantee etc.)? If yes give details:	
Does this household include a child / children on the Child Protection Register?	
Yes:	
No:	