

LOCAL AUTHORITY CASE STUDIES

LONDON BOROUGH OF BRENT

The London Borough of Brent in North West London is one of the most ethnically diverse local authorities in the country. Like other London boroughs, Brent has seen significant regeneration, but accompanying that, some real decreases in the affordability of local housing to people on low or moderate incomes. Brent has had one of the largest temporary accommodation portfolios in the country for many years. At its peak, Brent had almost 1 in 25 households living in temporary accommodation.

Brent, like other London boroughs, has been hit hard by decreased social housing lettings, increasingly unaffordable private rented accommodation for people on low incomes claiming housing benefit, and the introduction of the overall benefit cap.

This combination of pressures led to an increase in statutory homelessness due the loss of an assured shorthold tenancy – ie due to loss of private rented sector (PRS) accommodation – to 53 per cent of cases in 2016, as the difference between real rents in the market and local housing allowance (LHA) levels has increased.

For related reasons, it has become much harder for the council to secure temporary accommodation or private rented accommodation for homelessness prevention or the ending of a homelessness duty at rents which housing benefit will fund.

This led to a rise in the use of B&B accommodation by Brent to a maximum of 285 households, which alone was costing the council £1.8 million per year.

There had also been a significant increase in the use of self-contained hotel annexes, and self-contained nightly paid accommodation from PRS landlords and agents as temporary accommodation, both of which provided unsatisfactory accommodation at a significant loss to the council.

Brent is now in a much better position than it was and looking forward with more confidence, despite the threats on the horizon of a prolonged freeze in LHA, reduction of the overall benefit cap, and the roll-out of Universal Credit.

The local authority's focus and determination has been key to reducing B&B use from 285 households in October 2014 to just 29 households at the end of March 2017. The council holds a weekly officers meeting looking at all cases in B&Bs, which examines the reasons why a household has been placed in a B&B, what the barriers are to moving people out, and how those barriers can be addressed. The culture of the council has turned decisively away from it being acceptable for a household to be in a B&B if any alternative is available, and officers are held accountable for this.

Brent has benefited from a number of factors and initiatives which have helped to reduce reliance on B&Bs dramatically, to reduce temporary accommodation use against the London trend, and to minimise its financial losses from temporary accommodation and PRS accommodation.

These include:

1. The council has retained one of the highest numbers of housing association leased (HALS) properties of any council in England. These properties are leased and managed by Genesis, Network and Shepherds Bush housing associations, and are more cost effective for the council than most of the rest of its temporary accommodation. The reasons Brent has been able to retain so many HALS properties include:
 - Prudence in previous years, when it was far slower than other boroughs in getting out of HALS and replacing these properties with private sector leased (PSL) properties managed by private sector agents, when the temporary accommodation funding regime made it financially advantageous in the short term to do so. Brent has thus retained a good relationship with housing associations providing temporary accommodation, and by extension, the owners of the properties they lease, some of whom have been leasing their properties as temporary accommodation for many years.
 - Most Brent HALS properties are in the Inner North London Broad Market Rental Area (BRMA¹⁹), where it is still advantageous to some landlords of larger properties to let properties as temporary accommodation, because the property size based LHA caps introduced in 2011 do not apply under

¹⁹ BRMAs are the geographical basis for LHA setting. The LHA is set at a uniform level for each property size across the whole of a BRMA



the temporary accommodation funding regime, which is based on LHA rates in January 2011, before those caps were introduced. This will no longer apply under Universal Credit, however.

2. The council has been one of the most successful in making use of the powers in the Localism Act from November 2012 to compulsorily end a homelessness duty in the PRS, and is currently successfully ending a duty to between 200 and 250 households per year by accommodating households using private rented sector offers (PRSO). This is because of a well organised, thorough, and joined up process in identifying suitable properties and in handling the PRSO process with tenants.
3. Although Brent does not have a very high level of social housing stock compared to similar London boroughs, it has benefited in recent years from one of the highest levels of new affordable housing completions in London, which has provided a temporary boost to the council's ability to move people out of temporary accommodation into social housing. In addition, Brent has agreed that a very high proportion (80 per cent in 2015/16) of social lettings go to homeless households, which has helped ease pressures in temporary accommodation. Although this inevitably produces a knock on effect on other people on the housing waiting list who find it harder to get properties, there is justification arising from the sheer numbers in temporary accommodation who need to be housed. It is not uncommon for people moving from temporary accommodation to social housing in Brent to have been living in

temporary accommodation for over 15 years. There is also little risk of creating a perverse incentive to become homeless in order to access social housing, because only those households accepted as homeless before the Localism Act power was introduced in November 2012 have access to social housing from temporary accommodation.

4. Although, by no means the largest exporter of homeless households to other local authorities, the council has been successful at moving a proportion of households to areas outside London, notably the West Midlands, and has managed this process well. The council employs a dedicated resettlement officer in the West Midlands, who will meet people who arrive from Brent, help them to move into their new accommodation, help them access local schools and other services, and assist them with access to local employment opportunities. This has meant that a high proportion of such moves have been successful, and have not resulted in tenants abandoning their properties and returning to Brent.

In 2016, Brent's cabinet agreed an ambitious Temporary Accommodation Reform Plan, which analyses the range of temporary accommodation the council uses and its cost, makes predictions about future homelessness demand and sets out a number of actions to:

- improve future supply of accommodation
- increase homelessness prevention
- improve the experience of households in temporary or PRS accommodation
- reduce costs to the council.

The main elements of the plan are:

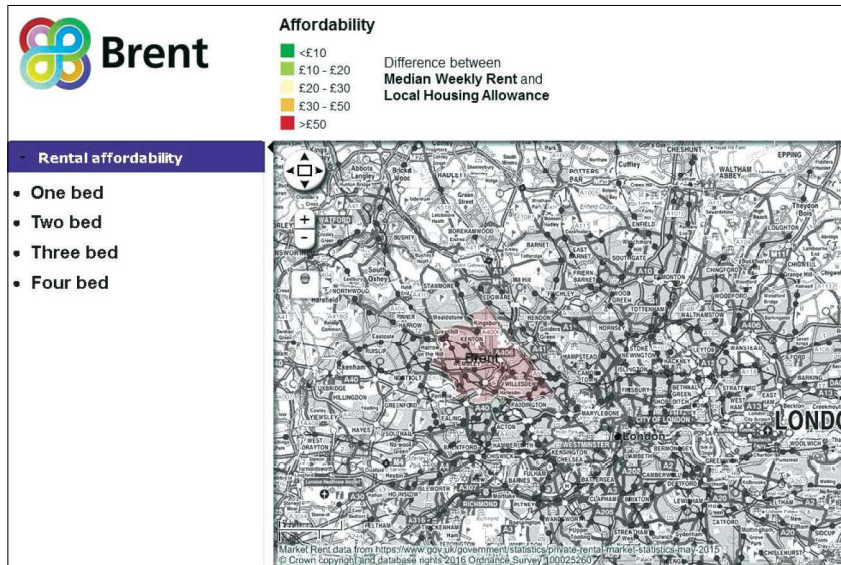
- a. To set up a council owned property acquisition company to purchase and let PRS properties at LHA rents for homelessness prevention or PRSOs. Properties will be let as a settled accommodation using assured shorthold tenancies, and will be in Brent or within London and the home counties north of London. The initial target is 300 family sized properties over two years to be purchased from the market.

The intention behind this is to take advantage of the council's ability to borrow cheaply at Public Works Loan Board (PWLB) rates and acquire assets with the potential to grow in value, as well as to guarantee to be able to let properties at LHA levels into the future if market rents diverge even further from LHA. There are immediate savings due to the reduction in the use of more expensive forms of temporary accommodation, and in the need to pay high landlord incentive payments to secure access to properties for PRSOs or homelessness prevention.

The property acquisition is being carried out by an in-house team at the council, with management and maintenance of properties contracted out following a competitive tender process. The company is being set up to be able also to make more commercial investments, which could generate income for the council or subsidise acquisition of more properties for homeless households in the future if PWLB rates rise or property prices rise faster than LHA rents, which both seem likely over the medium term. There are a

number of possible models for property acquisition, of which Brent's is one example. This is explored further below.

- b. To develop new LHA rent PRS properties on council land. The economics of property development of LHA rent properties in London are difficult if the value of the land has to be fully taken into account, but there are advantages to the council in developing on its own land, limited though this is. More rental income could be achieved using market rent, and so any council contemplating this approach has to weigh up the costs of forgoing higher rents compared to the benefits of housing people in the most need locally, and saving on temporary accommodation costs. PRS accommodation can be developed outside the Housing Revenue Account (HRA), and so is not limited by any caps on HRA borrowing a council may face.
- c. To develop better quality stage 1 temporary accommodation for short term use by homeless households. Brent Council currently owns a temporary accommodation hostel for homeless households, which was converted from an old people's home a few years ago on a temporary basis. This provides superior accommodation to most B&Bs, and is certainly better for the council financially than a B&B, as housing benefit will cover much higher rents for a council owned hostel than for commercially run B&B. However the accommodation has shared facilities, making it less than ideal for stays of more than a few weeks for the families with children who occupy most of it.



**Brent rent
affordability tool**

The council has worked with architects to develop an ambitious plan to deliver over 90 temporary accommodation units in a brand new building. Each unit is properly self-contained and has the right number of bedrooms for the families who occupy it, albeit each flat has a smaller floor area than would be permissible for long term accommodation. The units will be designed so that connecting doors between the flats can be locked or unlocked depending on occupancy, so that for example a two bed unit and a three bed unit can be easily combined to accommodate a larger family in fully self-contained accommodation. As the accommodation should not overcrowd families according to the bedroom standard, the accommodation should be immune to any future changes to funding which prevent councils claiming full Universal Credit for the family size for hostel accommodation.

- d. To intervene much earlier to prevent homelessness by working with households to help them find their own PRS accommodation using the 'Find Your Home' scheme. The aim here is to move the emphasis (and the amount of staff time) away from part VII assessment under the homelessness legislation included in Housing Act 1996 and to intervene earlier to help more people before their housing need turns into a homelessness crisis.

The council has developed an online tool which shows the difference between LHA rents and market rents for different property sizes all over the country to demonstrate which areas are more affordable, and includes links to available advertised properties to rent in the selected area on a range of websites, including Rightmove, Zoopla and DSS Move. This, along with coaching sessions at the council's office, allows individuals

to be involved in the process of finding their own property and understanding first hand the challenges faced by councils seeking accommodation. When a property is found council officers help where necessary to broker a deal, and if needs be offer a limited incentive payment to landlords.

Interestingly, and in common with what we have heard from other councils, what often happens is that, rather than choosing to move to an area they can afford, which might be some distance away, people will often prefer to overcrowd themselves by one bedroom in local accommodation so that for example a family needing entitled to a two bedroom LHA rate will find that this only allows them to afford to rent a one bedroom flat, but will choose to do this in the absence of better alternatives. In some cases they will also have to pay a top up out of their other benefits in order to afford to pay the rent. This is, of course, uncomfortable territory for the council, who will refuse to be involved in the transaction if the property would be overcrowded by more than one bedroom against the bedroom standard or they deem the rent to be unaffordable for the household or believe that they are likely to get into arrears.

The Find Your Home programme is showing promising signs of success. One of the advantages of working with households early, in this way, is that if it is clear that the attempt to find a property is failing or the household is not willing to take what is available to them, then it is possible to accept a homelessness duty and make a PRSO offer to the household before they become roofless, and avoid the

situation where the household would have to go into B&B or other emergency temporary accommodation.

- e. Employment and skills support. Although less advanced in practice than the other measures at the time of writing, the council is committed by the Temporary Accommodation Reform Plan to provide an integrated employment and skills service to people in temporary accommodation or at risk of homelessness, and in particular to support people who move out of the area to access local services which can help them to find work.

Contact: Laurence Coaker
London Borough of Brent
laurence.coaker@brent.gov.uk

Supporting information available at

<https://www.local.gov.uk/housing-our-homeless-household-case-study-resources-london-borough-brent>